



Consumer only partly benefits from oil price cut

SEVERAL countries have been slow to react to unprecedented declines in oil and other commodity prices and the benefits have been only partly passed on to consumers, the OECD says.

Sharp declines

There were sharp declines in consumer energy prices in West Germany (15 per cent) and the Netherlands (15 per cent). The OECD says this reflected in part the higher starting level related to the earlier strength of the US dollar.

Domestic costs

In addition, energy taxes have been raised in a number of countries. In general, final sales prices have failed to reflect fully not only the sharp decline in import costs but also a moderation in domestic costs, implying substantial improvements in profit margins.

Current account imbalances threaten growth

BY PHILIP STEPHENS, ECONOMICS CORRESPONDENT

INDUSTRIAL countries can expect an annual growth rate in their economies of 2½ to 3 per cent over the next 18 months, but international current account imbalances pose a serious risk, the Organisation for Economic Co-operation and Development says. In its latest Economic Outlook the OECD says lower oil prices and interest rates and changes in exchange rate patterns have enhanced the prospects for sustained though moderate growth at low rates of inflation.

demand rising less fast than output in the US and the opposite occurring in Japan and West Germany — has moved in the right direction. The sharp depreciation in the dollar's value has also begun to be reflected in movements in trade volumes between surplus and deficit countries, although that has been limited by the tendency of exporters to the US to reduce their profits rather than to accept a lower market share.

**SUMMARY OF PROJECTIONS**  
Seasonally adjusted at annual rates

	1984	1985	1986	1987	1988 (First half)
<b>Real GNP (per cent change)</b>					
US	4.4	2.7	2.1	3	3
Japan	5.1	4.5	2.2	2.3	2.1
Germany	1.8	2.5	2.2	3	2
Total OECD	4.7	3.0	2.1	2.3	2.1
<b>Real total domestic demand</b>					
US	6.3	3.4	2.1	2.3	2.3
Japan	3.8	3.4	2.2	2.1	2.1
Germany	1.9	1.5	1.4	2.1	1.9
Total OECD	5.0	2.8	2.1	2.1	2.1
<b>Inflation (private consumption deflator)</b>					
US	2.8	3.5	2.1	3	3.1
Japan	2.1	2.2	1.1	0	1
Germany	2.5	2.1	1.1	1	1
Total OECD	2.0	2.5	1.5	1	1
<b>Current balances (\$bn)</b>					
US	-104.5	-117.7	-128	-136	-133
Japan	35.0	49.2	82	77	72
Germany	7.0	13.2	32	26	21
Total OECD	-62.5	-55.3	-20	-34	-40
OECD	-9.6	-4.7	-5.1	-4.2	-2.9
Non-OECD developing countries	-22.2	-20.4	-7	-4	-6
<b>Unemployment (per cent)</b>					
US	7.5	7.2	7	6.1	6.1
Japan	2.7	2.4	2.2	2.1	2.1
Germany	3.2	3.3	3.1	3.1	3.1
Total OECD	10.7	10.5	11	11	11
OECD	8.4	8.3	8.1	8.2	8.2
<b>World trade (% change)</b>					
US	3.8	3.7	3.1	3.1	4.1

Assumptions underlying the projection include: —no change in actual and announced policies; —unchanged exchange rates from November 4 1986; in particular \$1 = yen 163.6, DM 2.052; —Dollar prices (OECD job imports) for internationally traded oil of \$15 per barrel.

Jobless set to remain at 31m

BY PHILIP STEPHENS

PROSPECTIVE growth rates in the industrialised economies and a small increase in the number of people in jobs will not be enough to dent the massive unemployment total over the next 18 months, the OECD says.

creating jobs and could see another small reduction in its jobless total. The number of people in the dole queues of Europe, however, is forecast to rise fractionally.

effect of high and long-term unemployment over the past few years may have raised the structural, or natural rate, below which inflation is likely to accelerate.

Sale of state assets may reduce government wealth

BY JANET BUSH

THE TREATMENT of privatisation proceeds as deficit reducing or even as negative spending may lead to the incorrect impression that a government's budget position has improved when all that has happened is that its financing has become easier, according to the OECD.

In a study of privatisation in member countries, it said the sale of state assets often improved efficiency and that, under certain circumstances, a government's budgetary flexibility was enhanced.

budget rather than keeping them off-budget is that, by running down their stock of assets, governments will eventually find themselves even more constrained either to raise taxes, accept further increases in net debt, or monetise future deficits in order to finance the flow of expenditures," the OECD says.

Michelin supplies radials for US Air Force fighter

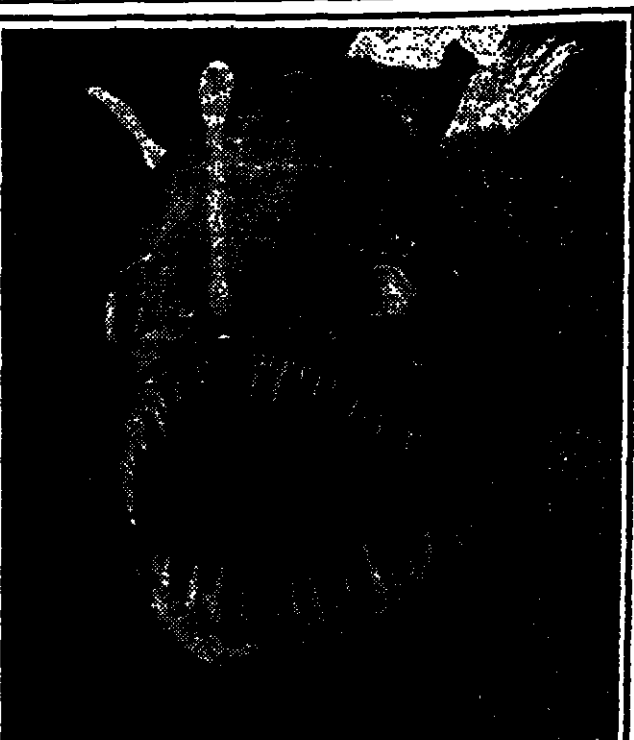
BY PAUL BETTS IN PARIS

MICHELIN, THE French tyre group, has supplied the US Air Force for the first time with radial tyres. The tyres are for the McDonnell Douglas F-15E fighter aircraft, which was unveiled yesterday.

ing nor disclose the value of the deal. However, the significance of the order is probably far greater for Michelin's image in North America where after investing more than \$1bn its operations are now profitable.

More broadly, the OECD says that governments should press ahead with measures to reduce rigidities in their economies.

**Do Angler fish believe in Christmas?**



One mile beneath the sea tiny lights are twinkling. They belong to the Angler fish who once a year settles down to a gigantic meal. How does he manage to eat things many times his own size and generate his own lights? Read The Economist 112-page Christmas double issue. Out now. £2.

**1970: Why it's time for a new kind of advertising.** Saatchi & Saatchi, Sunday Times.

**1986: Why it's time for a new kind of advertising agency.** EMT, Financial Times.

Sixteen years ago, Saatchi & Saatchi heralded its arrival with a Sunday Times advertisement. In a nutshell, the ad claimed that much advertising spending was wasted and offered "hard-selling ads that would seize the public mind" as an alternative to the big agencies whose problems were pointed to by the flowering of the creative consultancies.

Now, of course, the famous brothers present the 'mega' agency. They are no longer throwing the little wooden balls, but are themselves the coconut shy.

But I do not set out to knock Saatchi & Saatchi, where I myself was a founder member. I paraphrase their headline only to draw a comparison between the environment that agency grew up in and the atmosphere now.

Then, as Jeremy Sinclair rightly said, the problem was one of waste. The large agencies had grown up in an era when budgets were huge and advertisers comparatively few. They worked on the principle that given enough taps with the hammer, the nail would eventually be driven home.

During the 70s, the new creative agencies began to rain more imaginative, wittier and harder hitting blows upon the consumer. These agencies grew, merged with, and even took over some of the lumbering giants. So that now, clients who want visible, consistency and value for money more than ever before.

They want a group of people who are prepared to put the brand's fame and fortune before their own. With an ability to question and contribute without being superior. Who are willing to get involved in the practical problems and who understand that a delisting from a major multiple can shatter profitability.

Most important of all, they want access to senior creative people, not the false mystique and creative pique which has hitherto been common place.

None of this represents a magic formula or brilliant new innovation. It's simply a shift in attitude.

One that Edwards Martin Thornton took from the day it started. The three partners (management, creative and media) had already worked together for ten years, a lifetime by agency standards, and from this solid foundation were able to build an agency specifically designed to meet the new demands of today.

An agency 100% owned by the partners which will certainly jealously guard its independence so it can control the pace of its growth. (Ours has been impressive but properly digested. Starting with no business 18 months ago, we now have twelve clients which bill £2m and include Bass, Singapore Airlines, Securitor, CBI, Jordans Cereals, Olivetti and Ryatt.)

An agency where media will always be regarded as part of the creative solution.

An agency which rejects the creative xenophobia of those agencies who turn their noses up at advertising which crosses borders. Uniquely for a start-up, we have created a network of affiliates in seven European markets which has rapidly become a young resourceful alternative for the international client.

An agency which is ruthlessly straight in financial matters. Because if a clear, fair agreement is reached up front, there shouldn't be a need to look for extras.

An agency which is completely open in relationships inside and outside the company and which will never forget that its success depends upon the success of its clients.

Our intention is to build long term associations only with clients who will value our commitment and ideals. We won't appeal to everyone, but if you like the sound of us, call Bob Edwards, 01-636 5096.

If not Saatchi's number is 01-636 5061.

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**Quality**

How does a counseling firm, whose product is based on professional judgment maintain the quality of its output?

The easy answer is: by hiring the best people. But what really counts is performance and attention to detail.

Standards and checks are needed to assure the consistent quality of detail. As for the quality of substance, more is accomplished by inspiring people than by policing them.

Staffing a problem-solving team with counselors from different national and cultural backgrounds, for example, stirs the intellectual pot and brings out the best—for clients as well as individuals.

Where human potential is the chief resource, quality is better stimulated by removing barriers than by erecting rules.

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Public relations and public affairs counsel worldwide



OVERSEAS NEWS

MI5 case: Thatcher accused of making false statement to Parliament

THE BRITISH Government suffered a dual battering in the MI5 spy memoirs case yesterday when Britain's Prime Minister, Mrs Margaret Thatcher, was freshly accused of making a false statement to Parliament...

Chris Sherwell describes a double battering for the British Government

Mr Wright's documentation of these activities, says Mr Turnbull, were the real reason for the British court action.

Mr Turnbull went on to deride most of the reasons offered by the UK Government for wanting to suppress Mr Wright's memoirs. It had nothing to do with technology or molehunts.

his case against (former MI5 chief Sir Roger) Hollis? The difference is there's something else in the book and there's not prepared to own up to it.

Australia was that it had caused the public to be lulled into a false sense of security. Mr Wright had taken Mrs Thatcher's statement to pieces...

ishment's view—that if you're in the club you should not talk to anyone outside. Mr Wright says: "I was in the club and a pretty good member, and I think the club committee is mucking things up, and people should elect a new one."

that people for political purposes got it written in a form where its veracity could not be determined by the public.

When the judge at one stage put up an argument that Mr Wright had been allowed to speak and had "had his day," Mr Turnbull launched into a rhetorical defence of free speech.

S. Africa opposition challenge

SOUTH AFRICA'S white opposition Progressive Federal Party (PFP) yesterday announced its decision to challenge the latest South African emergency restrictions through the courts...

The death toll has risen to 11 in faction fights at the President Steyn mine, owned by Anglo American, in the Orange Free State, AP reports from Johannesburg.

justify its latest emergency regulations against the press and opposition groups by what it calls "an organised revolutionary onslaught by the ANC."

Nora Boustany reports from Beirut on Lebanon's unending wars Arafat plays a shrewd waiting game

AS THE Iran-US arms controversy continues to shock the world, Lebanon's unending wars have taken on a new twist.

go back to pre-1982," maintained one Palestinian spokesman. "We just want to make sure our people inside the camps in Lebanon are adequately protected, and for that we need to be armed."

Arafat... recast as major player

his men refused to budge. Other Palestinian factions such as the pro-Syrian PFLP-general command, have also threatened to reconsider their alignments...

Report assesses effects of sanctions

SOUTH AFRICA "can no longer hope that economic expansion in the context of apartheid will resolve its difficulties," says a briefing paper published by the Overseas Development Institute (ODI) on sanctions and the South African economy.

cause a fall in the price of gold, is an independent research organisation supported by grants and donations from the UK Government and private sources in Britain and overseas.

participation in the world economy. The merit of increased sanctions, the paper argues, "would be to remind South Africa of what it knows already: that it has no medium-term option other than to negotiate internal political reform, an essential prerequisite for achieving high and sustainable economic growth."

Where Japanese minister feels the pinch

JAPAN'S ECONOMIC power is limited to balance of payments and leading Japanese Government minister complained yesterday.

must provide more assistance to the developing countries. But I do not feel that well off," he told a businessmen's group.

demand, including deregulating financial markets. The Government is in the middle of formulating its economic forecast for the next fiscal year to March 31, 1988.

India and Pakistan in bid to stop drug traffic

ABOUT 90 per cent of 2,568 kg of heroin seized in India by narcotics agents in the first eight months of this year crossed into the country from Pakistan, mostly through the tense Indian state of Punjab, according to Indian Foreign Ministry officials.

Graff advertisement featuring a diamond necklace and the text 'With love this Christmas' and 'SAV I LOVE YOU THIS CHRISTMAS WITH A GIFT FROM GRAFF'.

COMPAGNIE ÉLECTRO-FINANCIÈRE advertisement with text: 'Income up 55% Dividend increased to FF 48.75 per share' and details about shareholder meetings and company performance.

The Republic of Italy advertisement for 'U.S. \$500,000,000 Floating Rate Notes due 2000' with details about interest rates and terms.

مكتبة النور

# BANG ON!

"To hit the 27th we had no room for second attempts - with ICL we didn't need any."

MAJOR US BANK

"We have been supplied with computers by ICL since 1968. These can now process more than 10,000,000 transactions in a day - without problems. And by the end of the decade this figure is likely to have doubled."

BACS Limited

"I would like to thank ICL for all their efforts and involvement in producing our systems for 'Big Bang.' It was first class. All our systems performed admirably."

MAJOR UK INVESTMENT BANK

As you can see, some computer systems have withstood the pressures of this year better than others.

For instance, all gilt transfers passed smoothly through ICL systems - as they have for the past 20 years.

Our ongoing record at BACS (the largest Automated Clearing House in the world) really speaks for itself.

And now, in the wake of Big Bang, over 60% of all equity transactions are settled through ICL systems.

To achieve all this, we have not only helped many of the newly formed financial groups make sense of their different types of systems, but also supplied many new arrivals with our products and services.

Furthermore, we are currently bringing to the market special compliance systems designed to provide the internal safeguards required in the new trading environment.

In short, not only do we have a

team of experts with a rather special understanding of the City's needs, but computer systems that have successfully lived up to the business challenges of our many clients in the City. Both before and after Big Bang.

And, putting our innate modesty to one side, we hope that's something you won't mind us banging on about.

We should be talking to each other

# ICL

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Rush of orders ensures early launch of MD-11

McONNELL DOUGLAS, the US aerospace manufacturer, is expected to launch its MD-11 tri-jet airliner before the end of this year. This follows a further \$200 million order for MD-11s...

John Elliott on Bangladesh's attempt to reconcile commercial interests with those of the nation's poor Dhaka in eye of storm over pharmaceutical policies

FOUR YEARS after a peace-making drug policy aimed at boosting domestic production of cheap essential medicines was introduced in Bangladesh, controversy is still raging about whether it has helped the mass of the country's poverty-stricken population of 108m.

Japanese trucks win record share in Europe

JAPAN won a record 16.3 per cent of Western Europe's commercial vehicle market in the first nine months of this year, an increase of 1.4 percentage points from its share at the end of 1985.

Officials fight to meet deadline on Gatt

WITH ONE day left before the deadline for publication of the programme for the much heralded new round of trade liberalising talks, trade officials were still struggling yesterday to clear the log-jam of unresolved issues.

EEC inquiry ordered into microwave ovens

OFFICIALS of the European Commission have ordered an anti-dumping inquiry into EEC imports of microwave ovens from Japan, Singapore and South Korea...

AMERICAN NEWS

Senate recalls Regan over Iran arms testimony

THE SENATE intelligence committee probing the Iran arms scandal yesterday recalled Mr Donald Regan, the White House Chief of Staff, to recross his testimony in sworn statements about President Reagan's role in the affair.

Bogota acts on drugs in wake of murder

THE Colombian Government yesterday approved tougher anti-drug legislation in the wake of the assassination of Mr Guillermo Cano, editor of the liberal daily El Espectador.

David Owen reports from Chicago on the lingering decline of a political fiefdom Rearguard action of the Daley stalwarts

CHICAGO writer Mr Studs Terkel's description of the encounter under Marble Arch with "an English Midlander bearing a remarkable resemblance to actor Nigel Bruce..."

prisingly ousted Mr Byrne in the Chicago Democratic primary, the Machine stalwart headed by Cook County Democratic Party chairman, Mr Edward Vrdolyak, has been fighting a rearguard action...

US reacts coolly over release of Hasenfus

THE US Administration yesterday reacted coolly to the release by the Nicaraguan Government of Mr Eugene Hasenfus, the American captured in Nicaragua and condemned last month to 30 years imprisonment for gunning down the Contra rebels.

US policy in Central America condemned

THE four-nation Contadora Group backed by the major countries of Latin America, has issued an unprecedentedly blunt condemnation of US policy in Central America.

Forecasts ease Brazilian economic jitters

A MONTH of jitters in Brazil over economic trends gave way yesterday to renewed confidence following optimistic Government predictions for 1987 and a positive response from industry to upward price adjustments.

Paulo industrialists' federation, added to the newfound optimism with a report predicting record industrial growth of 13 per cent for 1986, and a further 6-7 per cent rise in 1987...

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# THANKS TO OUR INSULATION THERE'S ONLY ONE WAY GUESTS AT THE OBEROI HOTEL CALCUTTA WILL SUFFER FROM THE HEAT.

In India they don't have quite the same problem that we have at home.

With temperatures well up in the hundreds before the rains come, their major concern is to keep the heat out, not in.

But the principle is the same. Insulation.

And the best insulation in the world, they seem to agree, comes all the way from a company based in St. Helens.

A company that has successfully built itself up to become the world's leading glass company.

All the five star hotels in India, including The Oberoi, are insulated with Pilkington products.

You don't, however, have to indulge in the luxuries of the old Raj to appreciate the benefits of Pilkington's insulation materials.

The chances are that you already do, because Pilkington produces more of the insulating products used in homes in this country than all our competitors put together.

Products like Kappafloat, a most remarkable glass which, when used in double glazing, gives it the performance of triple glazing.

Like Fibreglass Supawrap special insulation for roofs. Like Crown cavity wall insulation.

Pilkington insulates powerstations in Hong Kong and military barracks in the Falklands.

They also insulate hospitals in the Middle East and oil rigs in the cold North Sea.

No other glass company produces as wide a range of products, from flat glass to safety glass



THE CHEF'S SPECIAL VINDALOO AND A BIT TOO MUCH OF THAT LIME PICKLE

for windscreens, from ophthalmic lenses to optics for missile guidance systems.

This all goes to make a worldwide turnover of around £2,000,000,000, most of which comes from abroad.

All over the world they make things safer, healthier and more comfortable for the local, not to mention the traveller.

Although there are some pickles that even Pilkington can't help him out of.



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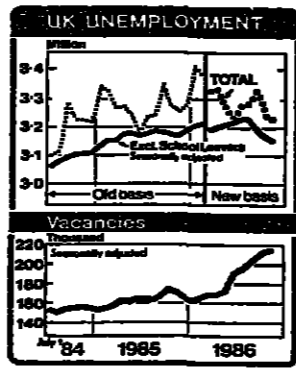
UK NEWS

Privatised Rolls-Royce 'will stay British'

THE GOVERNMENT is to press ahead with the privatisation of Rolls-Royce next April or May and make special provisions to ensure that the company remains British...

Jobless total falls for fourth consecutive month

THE Government yesterday reported the fourth consecutive monthly fall in the official unemployment total in November and said the jobless trend was now firmly downwards...



NUMBER of people employed in manufacturing industry fell by a seasonally adjusted 14,000 in October, compared with the previous month...

C.E. Heath loses 28 staff in defection

C.E. HEATH, the UK's sixth-biggest quoted insurance broking group, was hit yesterday by a mass defection of 28 senior staff...

Vying for Awacs spin-off

BOEING'S commitment to place with British industry contracts worth 130 per cent of the value of the Awacs radar aircraft...

Tougher air pollution measures will meet EEC requirements

PLANS to increase the range of companies covered by industrial air pollution standards and to give local authorities stronger powers to prevent companies polluting the atmosphere...

have to satisfy emission standards to be monitored by local authorities. The new category will include smaller ferrous metal foundries, plants manufacturing asbestos-based products...

scheduled process would have the right to appeal to the Environment Secretary. A similar arrangement already affects processes monitored by the IPI...

Exchange proposes better quote system

SEVEN weeks after Big Bang deregulation of the City of London, the stock exchange is proposing improvements in the market's screen-based system for disseminating quotes...

Investor protection outlined

INVESTORS will be able to be reimbursed up to £100,000 in disputes with investment firms and receive compensation up to £48,000 in the event of the collapse of such firms...

Trotskyite candidate defeated in re-run of union election

LABOUR'S Trotskyite Militant Tendency suffered a significant setback yesterday when members of the Civil and Public Services Association decisively overturned a disputed election for the union's general secretaryship...

Full results were: Mr Ellis, 42,228 votes (45.4 per cent of those voting), Mr Macreadie, 31,791 (34.2 per cent), Mr Geoff Lewis, 13,109 (14.1 per cent) and Mr Thomas George 5,919 (6.4 per cent).

retary, defeated Mr John Macreadie, an assistant secretary by a wide margin of 10,437 votes. Full results were: Mr Ellis, 42,228 votes (45.4 per cent of those voting), Mr Macreadie, 31,791 (34.2 per cent), Mr Geoff Lewis, 13,109 (14.1 per cent) and Mr Thomas George 5,919 (6.4 per cent).

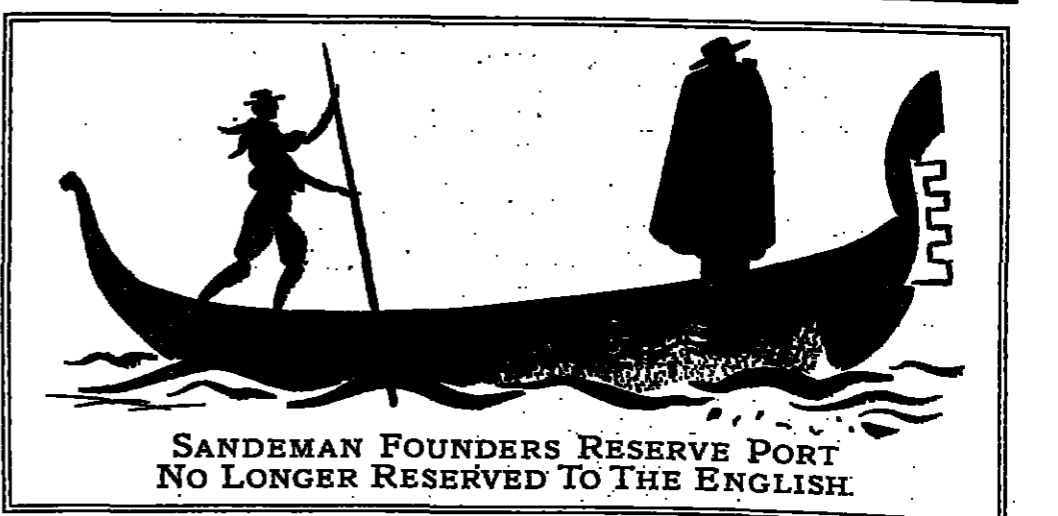
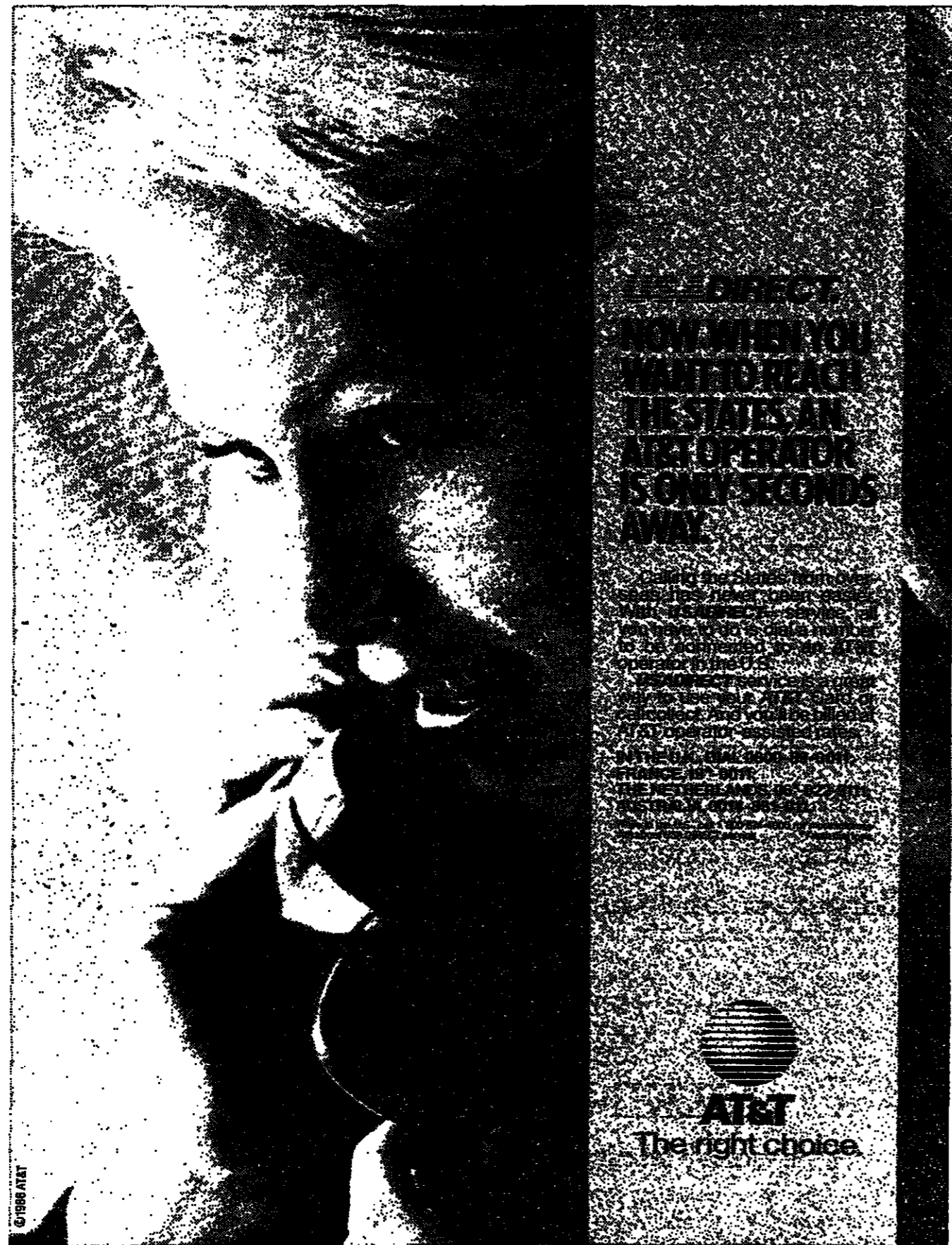
Drugs body suspends Bayer UK

BAYER UK, the British subsidiary of Bayer of West Germany, has been suspended from the Association of the British Pharmaceutical Industry (ABPI)...

Britain set to retaliate against US unitary tax

THE British Government is to keep on the statute book a measure that would enable it to retaliate against the taxation by the unitary method of British companies operating in the US.

not to be assessed by the unitary method. The system, which has been the subject of a long-running controversy between the US and foreign investors from Europe, Canada and Japan...



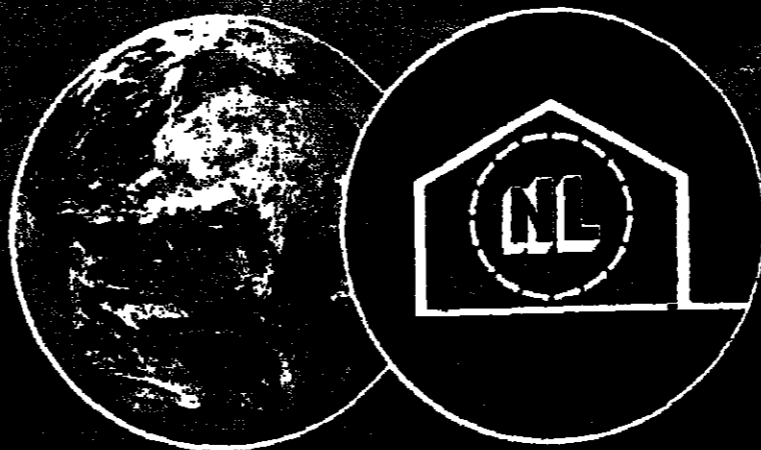


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**Investor protection outlined**

By Eric Short  
INVESTORS will be... reimbursed up to... putes with invest... cative compensation... the event of the... firms under the... compensation... the Securities and... Board (SIB), the... body for the... industries. Details of the... proposed... administration... leased yesterday... Merrill, Sib chairman. Under the 1986... vices Act, all... ment business... Two of the many... thorisation will... to belong to the... ombudsman... pate in the... The ombudsman... by Sib will... authorised by the... members of the... latory Organisation... It is intended... man service... between private... thorised... pute cannot be... reason the... SRO. The... complainant... pute investigated... proached the... the firm and... failed by... plaint resolved... will have full... formation within... will be required... sary assistance... The ombudsman... award claims... £100,000. However... not be... though it is... authorised... with the... The scheme... available to... sional investors... sultative stage... still being... would operate... dence and low... arrangements.

**iate tax**

Consideration is... to whether the... report any... than revealed... The... The... siders this... siders in that... lained on the... It feels that... have to rely... court to get... Provisions for... scheme were... the act - a... are in the... sisting mainly... with the invest... nald Wheeler.

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display firm... are only... confirmed by... ma stock to... wed with on... rather than... the market... display firm... laying larger... displace... the "yellow... us the most... isers on each... determined... time, as now... be obliged to... makers only... second market... screen.





# Wellcome discusses market ulcer drug

By Tony Jackson

THE Wellcome Foundation has announced that it is planning to market the US ulcer drug, cimetidine, in the UK and other countries.

The drug, first marketed in the US by SmithKline Beecham, is the first of a new class of drugs to be marketed in the UK. It works by blocking the production of stomach acid, which is seen as having the effect of a remedy for and a preventive of ulcers.

Wellcome discussed the drug with SmithKline Beecham and the latter's Kline view that the drug will be marketed in the UK in the next few years.

The two companies are currently in a study of the drug over the next few months.

Wellcome said that it is not going to be getting involved in counter-claims. The drug will take a lot of time to be accepted as a counter-treatment to ulcers.

It has first to gain acceptance from the Committee for the Control of Medicines. In the case of the drug, this may involve further clinical trials.

It then goes through a period, which lasts for up to two years, in which any interested consumer group or pharmacist can object to the drug. It then goes to the Ministry of Health for registration.

Wellcome said that it is in the process of negotiating with the UK market, together with SmithKline Beecham, to market the drug in the UK.

at the Rover plant content measure.

cars, based on the Austin model, used up to 10 per cent UK Austin Rover, various use a 1.6 and match-

en the two eight years for Austin UK the production which was claimed.

was recently Rover began Longbridge, to the Rover has hope that cars, which escape the these imports, will be re-

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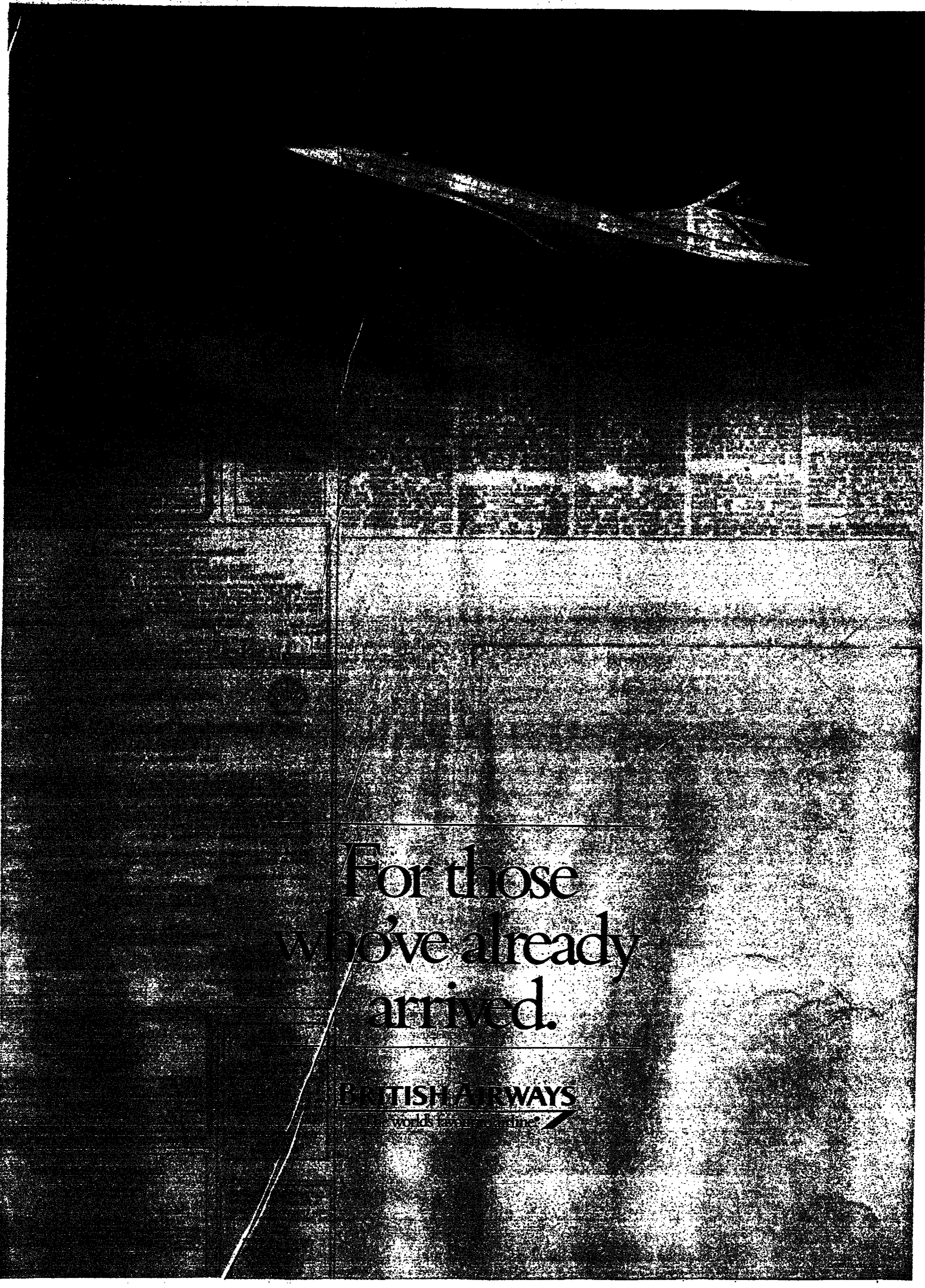
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MANAGEMENT

Paccar

Trucking along on a personal crusade

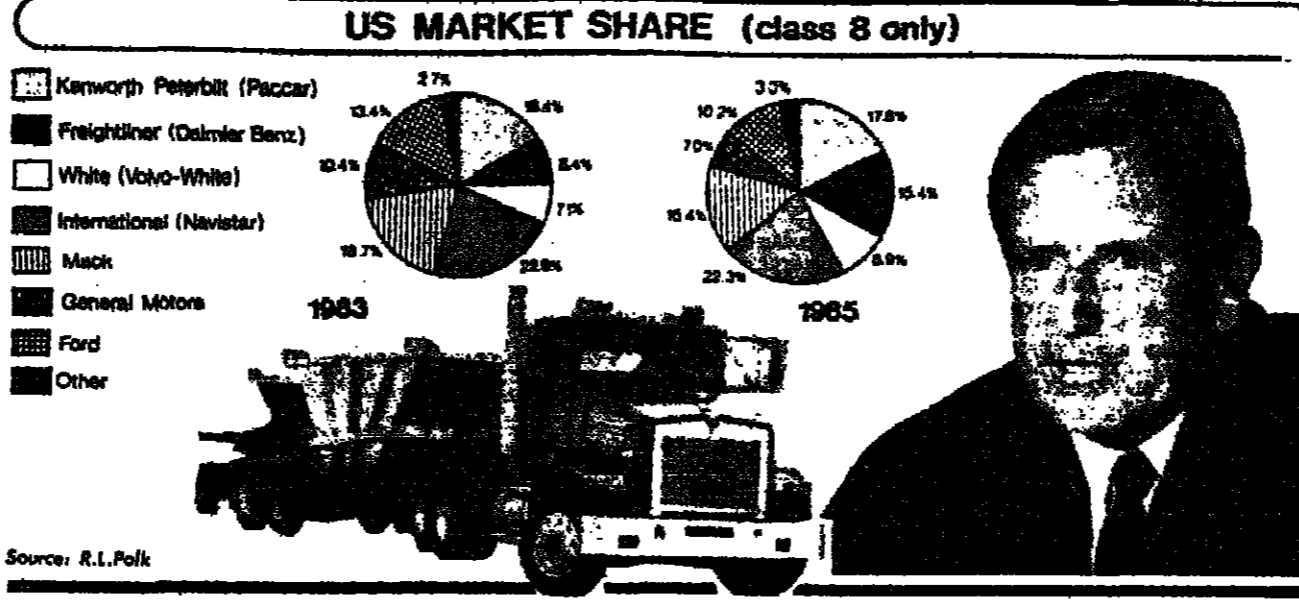
Kenneth Gooding reports on Charles Pigott's strategy for the American family-dominated heavy truck maker

WHEN Britain's Industry Secretary Paul Channon announced that DAF Trucks of the Netherlands and Paccar of the US were candidates to buy Leyland Trucks from the state-owned Rover Group, there were many...

Although the US company has been operating in the UK since 1980 when it caused something of a sensation by buying the assets of the bankrupt Foden trucks business from the receiver, it remains relatively little known in Europe. Partly this is because it is a highly conservative company which traditionally has kept its profile low. Partly it is because the European heavy truck industry has been in the grip of a severe recession for most of the last decade...

heavy truck business by handing over its interests to a new company in which it will have only a minority stake. Volvo of Sweden has the majority and management control. If GM, the world's largest and richest automotive group, has decided it can no longer afford to continue in heavy truck manufacturing in the US, what chance is there for Paccar, a company whose \$30m annual turnover reports about one week's sales for GM?

Competitive pressure has already forced Paccar to quit steel manufacturing and production of rail cars—its first business: the company was set up as the Pacific Car and Foundry Company. It closed two truck factories in the US...



Source: R.I.Polk

Charles Pigott: "Trucks are 90 per cent of our business. We cannot wave a magic wand and change that." The Kenworth and Peterbilt trucks, in common with most other American heavy vehicles, might look odd and old-fashioned to a European eye, but they are demonstrably very well built. In the US style, they are also custom-built. A customer will specify which engine, transmission, axles and so on are to be used and Paccar will build a truck around them. In this way Paccar taps the combined research and resources of suppliers such as Caterpillar, Cummins, Eaton and Rockwell...

Management abstracts

Semal Intamy in the workplace. G. N. Powell in Business Horizons (US), July/August 1986 (54 pages). Reports the results of a study of how a sample of business students—tomorrow's business managers—felt about sexual intimacy in the workplace (this is wanted sexual attention; not to be confused with sexual harassment). Discovers that most considered it appropriate only if it did not affect productivity; finds that women are less likely to think that public and private lives should mix. Profit sharing: the principle and the practice. T. Nash in Chief Executive (UK), September 1986 (23 pages). Looks at the record of profit-sharing schemes in light of a recent Government Green Paper; reports enthusiasm in companies where they exist, but notes some doubts; makes the crucial point that existing profit-sharing schemes only adjust wages upwards and that few people fancy the idea of them coming down. Twenty questions about AIDS in the workplace. F. E. Kuzmits and L. Sussman in Business Horizons (US), July/August 1986 (7 pages). In question-and-answer form examines the financial and legal issues raised by AIDS—from defining what it is to suggesting what a written personnel policy should include. The directors and officers insurance disaster. W. Olson in Across the Board (US), July/August 1986 (5 pages). Reviews with alarm the recent trend in the US for business people to be held personally liable for civil damages stemming from their business decisions; notes that the insurance companies are stepping up their rates on policies for directors and are busy writing exclusion clauses into policies; remarks on the effects this is having with resignations and executives deterred from serving on boards. How to fire a director. T. J. Neff in Directors and Boards (US), summer 1986 (3 pages). Discusses how chief executives should react when they are unhappy with non-executive directors; offers strategies for getting rid of them, including simply buying them out. These abstracts are condensed from the abstracting journals published by Management Publications. Licensed copies of original articles may be obtained at a cost of £4 each (including VAT and a 5% cash with order) from Anbar, PO Box 29, Wembley HA9 8DJ.

TECHNOLOGY: Computing

Why managers are not making the most of their machines

The problem of slow response from data centres lies with the people involved, not with available technology

TOP MANAGEMENT accepts the fact that information technology (IT) is critical to company performance, but it is too willing to regard the development of an "IT strategy" as a chore to be delegated to the systems department. The most senior managers, moreover, find their systems departments and their personal experience of IT less than satisfactory. Their requirements are simple and change easily: to use available technology. There is, however, a high level of disappointment and frustration caused more by problems with people than difficulties with technology. These are among the most important conclusions to be drawn from two new reports on the way companies today are making use of IT.

Information technology expenditure table. Columns: Industry sector, Average % of turnover. Rows: Manufacturing (Food and allied 1.26, Engineering 1.31, Other 1.11), Finance (Banking 3.46, Insurance 2.09), Retail and distribution 1.01, Public sector (utilities and local government) 1.08, Average for all sectors 1.67. Source: Butler Cox.

Information systems departments, in their turn, feel remote from top management and from corporate strategy. So it is hardly surprising, as other surveys have shown, that their systems department does not identify fully with the business objectives of the company. Many companies, nevertheless, have made a sustained and successful attempt to use IT imaginatively as part of their business strategy. The report gives a series of case studies including: The UK-based textile and carpet manufacturer, Accord, has developed electronic links to its distributors. These major customers have been provided with a computer-based carpet ordering system. This allows the manufacturer to monitor and control stock better, and retail outlets to perform additional administrative tasks on the computer and the customer to have a confirmed delivery date.

financial and manpower figures (just before making the executive concerned), modelling facilities to explore the effect of capital programme changes on tariffs and access to external information on companies. In other words, information and communication at the press of a button. Why can their very reasonable requests not be met? Problems with people, Eoysy concludes: "There is a considerable disillusionment with the ability of the press-carrying departments to understand and deliver what is wanted reasonably quickly." Nevertheless, the top managers interviewed by Eoysy regard IT as vital to their organisations: "Speed and responsiveness, cost savings and improved quality of service are the primary benefits sought" says the study. Mr David Finberg, managing director of Eoysy, who conducted the interviews for the survey notes that although progress was being driven by top management: "Many managers were less in the driving seat than they felt they ought to be." The survey report costs £570, details 01-881 8101; the Eoysy reports costs £25, details 02814 5123.

Stock Exchange studies options for its financial information

THE London Stock Exchange is working on new plans to market its wealth of computerised financial data as a result of a four-month study of the potential demand for financial information among City and non-City organisations. The Exchange is keeping details of its plans under wraps for the moment. It is known, however, that it is anxious to re-establish its credibility as a major vendor of financial information (tarnished a little when the Topic price distribution system failed several times after the "Big Bang" in October) and to improve its competitiveness with other significant information vendors. The study, carried out by Romtec, the Maidenhead, Berkshire based marketing consultancy, shows that each of the principal financial information service (FIS) vendors—Reuters and Telerate are examples—are successful only in a limited number of market segments. No FIS vendor is successful across the board. The hitherto unpublished study shows that the Stock Exchange's own share price and company information distribution service, Topic, has been most successful in penetrating the investment and insurance community. It was used by almost 50 per cent of respondents to the survey in that category. Indeed the use of Topic by those in investment and insurance outstrips that by registered dealers. Virtually every Stock Exchange member firm uses Topic either in viewdata form through Topic screens or by taking a direct digital feed into their own computer system, but there are over a thousand registered dealers who are not Stock Exchange members and who do not use Topic. Reuters, the world's leading financial information services vendor, is used by over 70 per cent of organisations in the banking and credit sector and by more than a quarter of the organisation in investment and insurance, dealing and public companies. It has comparatively little penetration of the service or public sectors, however. Prestel City Service, the "poor man's Topic" is little used by companies in any of the business sectors considered by the survey, with the exception of the dealing sector where it is used by many of the small registered dealing companies which find the price of Topic beyond them. Some 37 per cent of licensed dealers who do not at present use any computerised information services indicated that they would do so in future. On balance, the study did not identify many hitherto untapped selling points. It showed, on the other hand, that companies already using computer-based services would be looking for additional types of financial information over the next three years. In banking and credit, for example, although 90 per cent of companies already use computer-based services and the remaining 10 per cent have no intention of starting with them, almost 50 per cent of the companies canvassed would be looking for additional information sources in the future. This sector is a heavy user of information about exchange rates, bank rates, gilts and national and international company news, but is comparatively uninterested in options and fund management data. The public sector, on the other hand is chiefly interested in UK equities, gilts and currency rates. Only 20 per cent of this sample said they would be looking for additional sources of information. Overall, the survey shows that 45 per cent of City organisations will require additional types of financial information over the next three years.

Market Penetration of Financial Information Suppliers

Market Penetration of Financial Information Suppliers table. Columns: Topic, Reuters, Telerate, Datastream, Prestel City Service. Rows: BANKING and CREDIT, INVESTMENT and INSURANCE, AUXILIARY BANKING and FINANCE, SERVICE ORGANISATIONS, PUBLIC COMPANIES, PUBLIC SECTOR ORGANISATIONS. Values: 0, 50, 0, 70, 0, 40, 0, 30, 0, 20%.

services would be looking for additional types of financial information over the next three years. In banking and credit, for example, although 90 per cent of companies already use computer-based services and the remaining 10 per cent have no intention of starting with them, almost 50 per cent of the companies canvassed would be looking for additional information sources in the future. This sector is a heavy user of information about exchange rates, bank rates, gilts and national and international company news, but is comparatively uninterested in options and fund management data. The public sector, on the other hand is chiefly interested in UK equities, gilts and currency rates. Only 20 per cent of this sample said they would be looking for additional sources of information. Overall, the survey shows that 45 per cent of City organisations will require additional types of financial information over the next three years.

Lovell BICENTENARY Two centuries strong and building 1786 1986

Dowdy dials lower costs for telexes DOWDY Information Systems (DIS), a major UK maker of telex modems (the devices that allow digital data to be sent over ordinary telephone lines), has launched a unit called Microtelex that gives access to the telex network via an IBM personal computer (PC) connected to it by cable, reports Geoffrey Charlish. DIS of Newbury, Berkshire, says that for IBM PC users Microtelex is much less costly than buying or renting a conventional telex terminal. A multi-user version is also available. This allows a network of PCs to link into the telex network. Messages can be prepared at any terminal and then sent via the master terminal which is connected to the telex line. Microtelex provides word processing, viewing of any incoming telexes, multi-addressing, re-try of engaged numbers and a store of 500 frequently used telex numbers.

Quick-thinking chip from Bell Northern GALLIUM ARSENIDE "chip" that can multiply a pair of four-digit numbers in one nanosecond (one thousand millionth of a second) have been developed by Bell Northern Research (BNR), the Canada-based company owned jointly by Northern Telecom (70 per cent) and Bell Canada (30 per cent). Gallium arsenide allows faster switching than silicon and also consumes less power. BNR thinks the new chip, five to 10 times faster than silicon equivalents, will soon become necessary in telecommunications systems because these will have to handle several billion bits of information per second.

Vertical sidebar containing various financial advertisements and notices, including Citicorp, Citicredit, and Citicheck.









THE ARTS

Cinema/Nigel Andrews

Clint's assault course of clichés

Heartbreak Ridge directed by Clint Eastwood... Explorers directed by Joe Dante... Frog Dreaming directed by Brian Koppelman...



Clint Eastwood and Mario van Peebles in 'Heartbreak Ridge'

Day Four. Spend this in the privacy of your own room. Practice your lean, macho, whispering style of speech, based on that of Clint Eastwood. This is to achieve the effect of a strong, silent man without actually vocalising a word. For an army film like Heartbreak Ridge, the voice can also be coarsened slightly, so that it sounds as if you have swallowed sandpaper while trying to impersonate a snake.

small town collecting ideas and bric-a-brac for a homemade spacepiece. This is created out of old dustbins, car seats, goldfish bowls and the like and is powered by something called a "force bubble".

Vertical text on the far left edge of the page, partially cut off.

holds forth in a showbiz stream-of-consciousness culled from soap and game-shows and old movies on American TV. (These being the only signals he has ever picked up from Earth).

Children, in a Jean move Christmas, might go instead to the Australian fantasy adventure Frog Dreaming. This concerns a boy (Henry Thomas of ET), a lake and something large and threatening that keeps rising out of it.

A Penny for a Song/Barbican

Michael Coveney

It was not just the old guard of Rattigan, Coward and Fry that was swept aside by the advent of George Devine's Royal Court in 1968. Several promising new writers, none more promising than John Whiting, who had been championed by Peter Brook and Hall, did not conform to what the Court directors wished to produce or what Kenneth Tynan prepared for Tony Blair. Whiting returned to the theatre in Peter Hall's first Aldwych season with his version of The Devils but died soon after in 1983.

Alaskan Mur



Brian Cox

A Penny for a Song (1951) was also revived by the RSC in those early days in a revised version. The blind itinerant Edward Sterne, who visits a sleepy Dorset country house idly preparing for a Napoleonic invasion in 1804, was a character who, as the prophet of the futility and pain of war.

Young Apollo/Covent Garden

Clement Crisp

The current Royal Ballet triple bill has been re-ordered to accommodate the stage trickery of Wayne Eagling's Beauty and the Beast. The descent into the abyss is now placed first. Ballet-lovers can thus dine in more relaxed style before arriving at the Opera House to see the other works in the evening.

The King and the Corpse

Martin Hoyle

One of the successes of last summer's "Not a Minute to Lose" was its return for a Christmas season. These dramatized tales from a medieval Indian epic certainly increase the range of entertainment on offer, and used to point moral lessons by both Buddhists and Hindus, may even restore a little religious reflection, albeit the wrong sort, to what is a period of all too fleshy indulgence.

Schnittke's Symphony/Festival Hall

Dominic Gill

IN THE final pages of Haydn's Farewell symphony the musicians leave the stage one by one until only a pair of violins remain. The Soviet composer Alfred Schnittke's first symphony, which was given its British premiere by the BBC Symphony Orchestra under Gennady Rozhdestvensky on Wednesday night, reverses the process: the players walk on to the stage at the start of the work one by one, playing as they go, and as their numbers increase a huge improvised cacophony builds up which is only silenced by the arrival of the conductor.

William Stephenson/Wigmore Hall

David Murray

Stephenson, who is 24, won this year's Terence Judd Award for young pianists, from which followed Wednesday's recital. I cannot believe that he did himself justice; I even wondered whether he was using some nerve-soother that also muffled the sensibility. At any rate, his opening Beethoven sonata—the gracious A-flat op. 26—was dully correct, secure, efficient without a breath of saving imagination. Touches of karate-futurism (there were to be much more violent chops in Liszt later) were less painful than all that well-tutored blandness.



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"What's special about these Danish companies?"

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They are all regular readers of the FINANCIAL TIMES • European Edition. For further information about subscription rates in Scandinavia, please contact K. Mikael Heibull in Copenhagen.

01-13 44 41

Theatre

Continued from Page 16. NETHERLANDS. Groningen, Schouwburg. Christmas comedies (in Dutch) written and directed by Alexander Dorit: Hahwazam's Magic Mirror (Tue, music Wed), (12.30.45).

Saleroom/Antony Thorncroft

A boom of an autumn

This has been an amazing autumn for the leading fine art auctioneers, they are already working in a hot market for 1987. It has a good Botticelli, a firm plus Schiele, a very important David, and a 23m collection of hunting books coming up for sale. Christie's autumn sales totalled £208.6m, from August 1, a rise of 28.2 per cent. Its great achievement was a Monet which made £7.7m. As it points out, converted to dollars this is the most expensive picture ever sold at auction. But all mention of records is a nonsense, so bedevilled is the situation by currency fluctuations and by inflation.

FINANCIAL TIMES BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Friday December 19 1986

Nimrod in perspective

THE cancellation of Nimrod in favour of Boeing's airborne early warning system is a severe blow to GEC, but it needs to be seen in perspective...

It is true that the loss of Nimrod will be especially galling to the company after all the controversy and the criticisms that have been levelled at GEC's handling of the project...

What certainly has changed in the last few years, partly because of an unspectacular profit performance, is the City's attitude to GEC...

Complacency at the OECD

IF VOLTAIRE'S character Dr Pangloss were to be given a job by the OECD, he would doubtless produce a country...

A third cause for disquiet concerns relations between developed and developing countries. The OECD concedes that it greatly over-estimated growth in the industrialised world...

Confidence risk The OECD report illustrates how bleak the outlook remains in certain key respects. For example, no fall whatsoever in unemployment is foreseen over the next 18 months...

Transatlantic takeovers

Why predators may get indigestion

By Christopher Lorenz, Management Editor

ON PAST form, 1990 could turn out to be a disaster year for many of the European companies which have joined the great American takeover stampede of 1986...

the growing flood of German-US acquisitions after 1979, according to Martin Waldenstrom, head of the acquisitions division of Booz, Allen & Hamilton, the US consultancy...

The US National Review of Acquisitions asked whether British buyers were 'suckers'

the new subsidiary into one's own organisation and culture. This last point is linked with a host of other dilemmas...

EUROPEAN ACQUISITIONS IN THE US

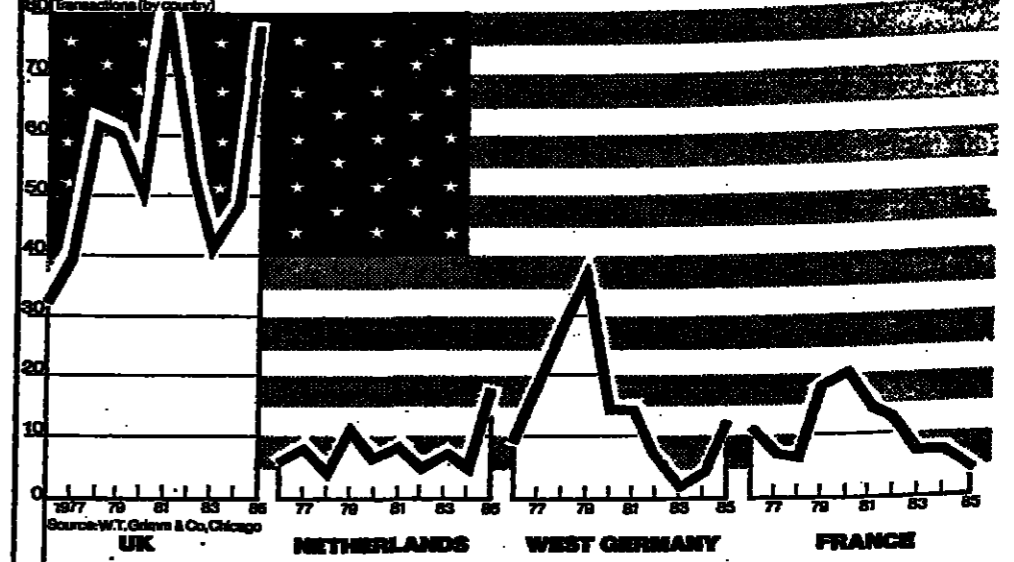


Table with 4 columns: Target, Buyer, Nationality, Price. Lists various acquisitions like Chesapeake-Ponds, Celanese, etc.

Source: WT, UK, France & Co, Chicago

cause of post-takeover problems: whether to maintain or replace local managers, systems and procedures...

While still intent on gaining the benefits of control and 'synergy' with their new subsidiaries, the major European acquirers have become much more sensitive against interfering...

This approach, which has become known as 'hands-off' management, was practised rigorously by ICI after its \$750m takeover of Beatrice Chemical in early 1985...

Storims in the Channel

The board of Britain's independent Channel 4 programme has issued an unanimous public statement on its preferred financial future.

But it has managed to paper over the cracks of a serious disagreement within the board-room itself.

Edmund Dell, the Channel 4 chairman, weighed in attacking the views of Fox, a Channel 4 board member. Dell pointed out what he saw as the inability of the ITV companies to control their costs...



"Will you stop saying 'we should have seen it coming'?"

Men and Matters

Though not normally prone to modesty, Musgrove confesses surprise at the job offers ring to hold up interest rates...

he has received. Somewhat enigmatically, he comments that the non-executive role will not prevent him doing anything else I might choose to do.

He will reassume a higher public profile next June when he takes over as president of the Birmingham Chamber of Commerce.

Top Grade

Lord Grade was in sparkling form yesterday. The occasion, he said, was the most important of his life.

Highland game

Ernest Saunders, chairman and chief executive of Guinness, has found a suitably Scottish theme for his Christmas cards this year.

Observer

Advertisement for Famous Grouse Scotch Whisky featuring a large image of the grouse and a bottle, with the slogan 'Quality in an age of change.'

A YEAR that began badly for the British Government is ending with Mrs Thatcher's administration on top.

Last January the Conservative Party had 53 per cent support in the opinion polls, the Alliance 26 per cent and Labour was ahead with 21 per cent. By the end of last month, the Tories had risen to 41 per cent, Labour was on 36 per cent and the Alliance had slipped to 16 per cent.

So the story of the year is that of the Government's recovery, of the opposition parties' failure to take advantage of a Government that seemed to be on the ropes.

The turn-around really began in September when the Liberal Party Assembly rejected the nuclear defence policy that had been put together with the Alliance partner, the Social Democrats. The Labour Party Conference that followed also embraced a non-nuclear defence policy and was further in challenging US use of British bases for nuclear facilities.

The results can be seen in the accompanying charts. The Alliance suffered most, not perhaps because it quarrelled on defence, but because it quarrelled at all. The Labour vote held more or less steady at a time when it should have been moving ahead if the party is to have a realistic chance of winning the general election outright. The Tories were the winners.

There was also a significant change in the pattern of local by-election results. In September, the Conservatives held four seats and lost 10. In October, they held six and lost four and gained six of them from the Alliance. The Tories were ahead in the percentage share of the vote and the Alliance share fell to third place for the first time since 1974.

There are two explanations. First, Labour and the Alliance handed the Conservatives the defence issue on a plate. The Tories can present themselves as the party of national defence, whatever the imperfections in their own policy. Defence also unites the Conservative Party in a way that economic policy never has.

Second, by allowing attention to be switched to defence, Labour and the Alliance ceased to be seen to be attacking the Government in areas where it is most vulnerable: poverty, unemployment and the uneven regional pattern of prosperity.

Yet beginning the Government year by year is a bad idea in any case and doing so because neither Labour nor the Alliance was offering credible alternative policies.

The year began with Westland and is ending with AWACS. In between came Leyland. All

those matters had something in common. They reflected a policy on the part of the Government that sections of British industry were not strong enough to cope with international competition and must be reorganised. There was a counter-balance, expressed by the Opposition and some Conservatives, in economic nationalism: some sectors, the argument went, were so important that they had to stay British, or at least European.

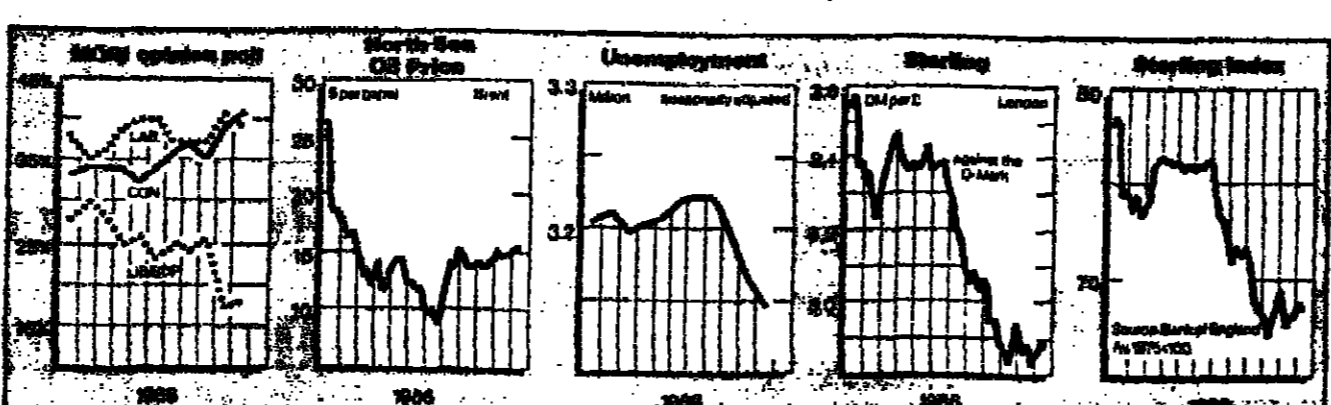
Westland was a disaster not because there was much to choose between the rival solutions, but because the Government fell apart in the process. Two cabinet ministers resigned. A government with a smaller majority might well have fallen.

The affair also led to a loss of nerve. Plans to dispose of Leyland Trucks to General Motors and to sell the Leyland cars group to Ford were abandoned as the forces of economic nationalism took over. The result is that the problems of Leyland are still unresolved, though Mr Paul Channon, the Trade and Industry Secretary, was careful to signal in advance this month that talks on the future of the trucks group are now under way with both DAF of the Netherlands and Paccar of the US, and a report on the future of the cars division is awaited early in the new year.

In the same fit of nerves, the Government dropped the Shooks Bill, leaving the provisions for Sunday trading an unholy mess of anomalies.

The decision to buy the air-borne warning and control system (AWACS) from Boeing rather than Nimrod from GEC seems to have been better handled, if only because the Government prepared the ground and is determined to stick to its decision. Confidence has come back, even if some might call it arrogance.

POLITICS TODAY



Tories back at the top of the tree for Christmas

By Malcolm Rutherford

Government dropped the Shooks Bill, leaving the provisions for Sunday trading an unholy mess of anomalies. The decision to buy the air-borne warning and control system (AWACS) from Boeing rather than Nimrod from GEC seems to have been better handled, if only because the Government prepared the ground and is determined to stick to its decision.

Most of the important business this year, however, has taken place largely outside Parliament. The oil price has demanded attention throughout: down from over \$30 a barrel a year ago to under \$10 in the summer and now around \$15, pending the outcome of the Opec meeting.

One of the most revealing admissions of the year came from Mrs Thatcher when she told the Financial Times last month that Britain was still too weak to join the exchange rate mechanism of the European Monetary System.

The teachers' dispute has ground on. Yet, too, shows another characteristic of the Government: the determination to get there in the end and the failure of anyone else to come up with better ideas.

sections do not work and partly in the belief that South Africa would reform itself. The events of the last few weeks have shown the latter claim to be hollow.

The British presidency of the European Community, which ends this month, has had some success in formulating the internal market and in the reform of the common agricultural policy.

There is no inevitability in the fact that so much of what has happened this year has seemed to pass Parliament by. There could have been more debates on the economy, on the teachers or on Europe.

Yet there appear to be two inhibiting factors. One is that the sheer size of the Tory majority can make the opposition seem up without a fight.

This divided opposition continues to play into Mrs Thatcher's hands. If she wins the next general election outright, the process of political realignment, temporarily at a halt, will have to resume.

As for the date, it will probably be October. There is a case for May 7, the same day as the local elections.

Lombard Too many gaps in the CAP reform

By Andrew Gowers

AMID ALL the euphoria surrounding this week's agreement by EEC farm ministers to cool the dairy and beef mountains, it might seem churlish to look for loopholes.

After all, it is not just the farm ministers that have been crowing about their achievement of a deal to reduce milk production by 9.5 per cent between now and 1989, and to phase down support to the beef sector: every that scourge of the EEC Farm Council, Commissioner Frans Andriessen, went on record this week with his praise.

But without belittling the move, and leaving aside the fact that the equally burning issue of the Common Agricultural Policy has barely been broached, it would be as well to inject a note of scepticism.

Yet that agreement in April 1984 was followed by a prolonged spectacle of backsliding, as agriculture ministers—aided and abetted, it has to be said, by Mr Andriessen himself—made political concessions to an outraged farm lobby.

Perhaps more seriously, the impact of the package was weakened last year, when the Commission proposed that member countries should be allowed to balance quotas between regions, so that surplus production in one area could be offset against a deficit in another.

The point is that this week's reform agreement may be "historic" as some of the more ambitious commentators have claimed. But it also bears some of the hallmarks of history repeating itself.

When the Commission started pressing for further dairy cuts earlier this year, its avowed intention was to scrap some of the flaws which had so debilitated quotas since the outset.

Yet during their sleepless nights of negotiation, the ministers succeeded in retaining both the regional balancing of quotas and the application of super-leaves at the dairy level.

In other words, even if the Community manages to get rid of the butter mountain in the foreseeable future—to believe this requires a certain degree of optimism about both the world market and that within the EEC—there will still be incentives for farmers not to cut production by as much as required.

Tax cuts and hard work

From Mr A. Nelson Sir, — Your report (December 16) that Professor C. V. Brown has reported that, in general, tax cuts do not encourage employees to work harder.

One has to look elsewhere for the benefits of tax cuts. Lower taxes provide existing businesses with additional after-tax profits, part of which at least can be invested.

I well remember from the days of excessively high taxation a client with whom I was discussing the progress of his business. He tried the tax system as it then was left him three options, as follows:

Those who cling to the outworn notion that high taxes are not damaging to business and generally deadening to economic progress often seem to me to be either lacking in experience of business, and particularly small and growing businesses, or wilfully blind.

Working to live

From Mr M. Barnard Sir, — The findings of Professor Brown's analysis that tax cuts are not incentives to work harder or longer (Philip Stephens December 16) are hardly surprising. I thought everyone knew that. Has he never heard of the disutility theory of labour? People work to live, not live to work.

The continuing reduction in the working week throughout this century bears this out. I fear

Letters to the Editor

that the Government's intention of a patent novelty is a double-edged sword. Reducing taxes increases disposable income which can be either saved or spent. Savings are available for investment to boost the variety and productivity of industry.

There is no inflationary effect because the money is spent by individuals instead of the government. M. J. Barnard, Ingham, Chadwick Hill, Stourport-on-Severn, Worcs.

Patents and novelty

From Mr M. Tierney Sir, — I read with interest your report (December 3) of the case of the Thetford Corporation v. Farmers SpA. It appears from the report of the judgment that a misapprehension exists as to the basis of obtaining patent protection in Ireland under the Irish Patents Act, 1964.

The so-called "absolute novelty" requirement in the granting of patents was incorporated as part of the Irish domestic patent law under the provisions of section 34 of the Patents Act, 1964.

The merits of innovation From Dr J. Toporowski, Sir, — The analogy that Christopher Gilbert draws (December 15) between financial services and home entertainment is surely an inappropriate or, at best, superficial one.

of other activities, whereas finance is. As for TV, I can assure readers that it is perfectly possible to lead a civilised life, and have adequate home entertainment without TV, whereas some sort of banking system is absolutely vital.

The key to savings

From Professor L. Pearce and Dr S. Thomas Sir, — You report the Treasury's conclusion (December 15) that "inflation is the key to the rate of savings".

Based primarily on the belief that the real value of a fixed stock of nominal wealth: individuals respond by saving more to rebuild their balances.

Insider dealing From Mr L. Goslin Sir, — The Stock Exchange is not alone when it comes to leaking inside information.

Defence policy From Mr P. Mitchell Sir, — Shall we just put things in a nutshell? Mr Neil Kinnoch is truly living in a Jarryland—whatever use is a grandiose conventional army? Russia need only say "You better do as we say, otherwise we will unleash our nuclear weapons on you then Britain, powerless, would have to toe the line."

The merits of innovation From Dr J. Toporowski, Sir, — The analogy that Christopher Gilbert draws (December 15) between financial services and home entertainment is surely an inappropriate or, at best, superficial one.

Working to live From Mr M. Barnard Sir, — The findings of Professor Brown's analysis that tax cuts are not incentives to work harder or longer (Philip Stephens December 16) are hardly surprising.

in an age of change

Ward White Group plc Increased Final Offer for L.C.P. Holdings plc. Current value of The Increased Offer. Value per L.C.P. share 207p. Increased Share Offer 207p. Increased Cash Alternative 200p. The last full business day for acceptances is Tuesday, 23rd December. L.C.P. shareholders can use either the white or green acceptance forms.

Willet is building

FINANCIAL TIMES

Friday December 19 1986

NELSON BAKEWELL CHARTERED SURVEYORS

MOVE FOLLOWS CONTINUED US REFUSAL TO HALT NUCLEAR PROGRAMME

Moscow abandons test moratorium

BY OUR FOREIGN STAFF

THE Soviet Union said yesterday that it would resume nuclear testing as soon as the US detonates its first explosion in 1987...

to halt unilaterally all nuclear explosions and called upon the US to join that action. The moratorium had been maintained despite serious sacrifices with regard to Soviet security...

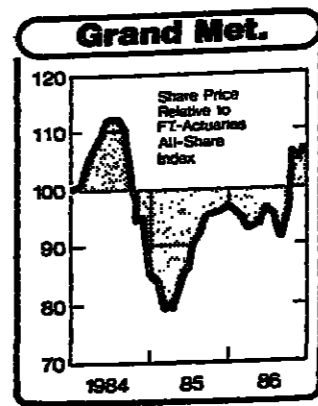
Camdessus unanimous choice as new chief of IMF

By Lionel Barber in Washington

MR Michel Camdessus was yesterday unanimously appointed the new managing director of the International Monetary Fund IMF at a meeting of the 22 strong executive board in Washington.

THE LEX COLUMN

Grand Met slips the leash



Grand Metropolitan's pre-tax profits of £386m were better than almost anyone expected, so the share price fell 4p to 456p.

Guinness Peat. The insurance broking business, also problematic last year, should improve. The aviation associate looks set to expand.

J. Rothschild

Now that Mr Jacob Rothschild's business has to be regarded as an investment trust, though without the tax status, it deserves some praise for the increase in asset value achieved between April and September.

Warner set to rescue Cannon

By Anatole Katsky in New York and Raymond Snoddy in London

WARNER COMMUNICATIONS is expected to rescue the troubled Cannon Film group which today faces a final deadline on a £53.3m (\$76m) payment to the Bond Corporation of Australia.

Economic reformer to head Vietnam's Communist Party

BY STEVEN BUTLER IN BANGKOK

NGUYEN VAN LINH, the leader of a group of economic reformers, was appointed to head the ruling Communist Party of Vietnam yesterday.

Wednesday but who were yesterday named 'advisers' to the Politburo, suggesting their influence has waned completely. The new leader is expected to oversee the introduction of limited capitalist measures into the Vietnamese economy...

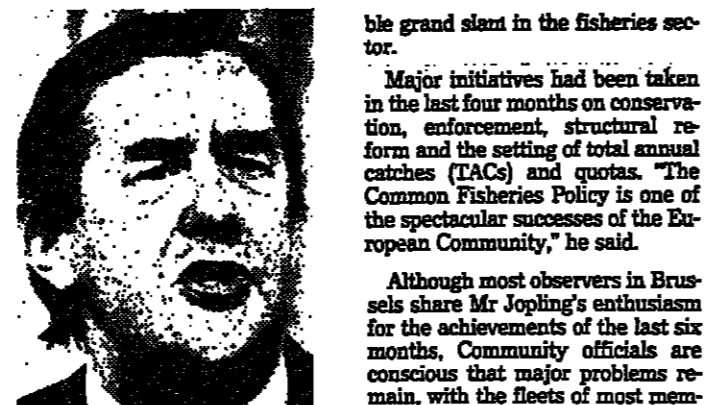
OFF

Anyone who thought that the highly leveraged bid was officially sanctioned by the all-clear to Elders' offer for Allied Lyons, had better think again.

EEC agrees cuts in fish quotas

BY TIM DICKSON IN BRUSSELS

SHARP reductions in permissible catch quotas of many North Sea fish stocks were agreed yesterday by EEC fisheries ministers in Brussels, as part of conservation efforts.



Mr Michael Jopling

Council, announced key reforms of the beef and dairy sector on Tuesday after a marathon nine-day meeting.

Paris extends state sell-off programme

By George Graham in Paris

THE FRENCH Government yesterday stepped up its privatisation programme with the announcement that three state-owned banks would be put on sale in the second quarter of next year.

'Code of conduct' for the City

BY DAVID LASCELLES IN LONDON

A NEW regulatory regime for the UK's wholesale financial markets, including a 'London Code of Conduct', was proposed by the Bank of England yesterday.

Only institutions which meet the Bank's 'fit and proper' test will be put on the list, and they will be subject to constant regulatory scrutiny.

World Weather table with columns for location, temperature, and other weather metrics.

London insider trading probe

Continued from Page 1. The Ivan F. Boesky company is a highly-g geared arbitrage fund formed in March with an initial equity investment of \$220m by about 40 partners.

Soviet sacking sparks riots

Continued from Page 1. Mr Kolbin is generally regarded as an enthusiastic supporter of the programme of economic reform and the drive against corruption launched by Mr Gorbachev.

Advertisement for Allied-Lyons PLC, Hiram Walker-Gooderham & Worts Ltd., and Hiram Walker Resources Ltd. Includes text about financial advisory services and a Shearson Lehman Brothers International logo.



# SECTION II - COMPANIES AND MARKETS FINANCIAL TIMES

Friday December 19 1986

Hunting Gate  
4444

## KLM launches \$975m bid for Hilton hotels

BY LAURA RAUN IN AMSTERDAM

KLM Royal Dutch airlines has offered to buy for \$975m the Hilton International hotel chain from Transworld of the US, in a bold move aimed at strengthening KLM's growing hotel business.

The acquisition would make KLM one of the biggest players in the international tourism industry by meshing Hilton's worldwide hotels with the Dutch flag carrier's global destinations. KLM, 39 per cent owned by the Dutch Government, now derives only a modest part of its Fl 4.9bn (\$2.2bn) revenues from hotels but intends to expand that.

Golden Tulip International, KLM's hotel-management and reservation subsidiary, now embraces 343 hotels in 65 countries, up from 320 in 60 countries last year. KLM's full and partial ownership of hotels has jumped to Fl 20.4m from Fl 3.7m a year earlier.

KLM operates one of the largest airlines networks in the industry with 129 destinations in 76 countries, most of which would match Hilton's 90 hotels in 44 countries. The Dutch company is also active in

charter airlines operations, travel agencies, professional catering and sightseeing tours. However, no indication had been given that a major hotel acquisition was in the offing.

KLM's offer is conditional on approval from its supervisory board and clearance from the US Justice Department on antitrust grounds.

The acquisition will be financed with cash and "available credit facilities," the airline said yesterday although it declined to give details. Liquid assets amount to about Fl 2bn.

The size of the offer, however, raises questions about how it will be financed. KLM is already involved in an ambitious Fl 7bn five-year investment programme to expand and renew its aircraft fleet and improve ground facilities.

While its debt-to-equity ratio remains at a healthy 60-40 level, the company has aggressively tapped the market in recent years with frequent equity and bond offers. A Fl 775m share offer in New York last March was the largest in airline history.

## FFr 6bn gain for Société Générale

By Our Paris Staff

SOCIÉTÉ GÉNÉRALE, third in the tripartite of major French commercial banks, plans to reorganise its financial structure in an operation that will bring FFr 6bn (\$910m) to FFr 6bn of unrealised capital gains on to its balance sheet.

The restructuring is aimed at tidying up the complicated cross-holdings of the Société Générale parent company and its three main subsidiary holding companies.

Several of France's large banks, including Crédit Lyonnais and Crédit Commercial de France, have announced similar restructuring plans over recent weeks. In most cases the twin target has been to create a separate division to handle financial services, and to regroup industrial investments into a more flexible investment banking division.

The Société Générale plan is to merge together the holdings of its three main subsidiaries - Uniforest, Valordis and Sogevalmob - and then redivide them into four new subsidiary holding companies according to the class of activity. The four sectors of activity will be industrial investments, specialist financing, including leasing operations, property, and banking activities, excluding the Société Générale bank itself.

Mr Marc Visnot, president of the Société Générale group, said yesterday that the restructuring had already been approved in principle by the French Treasury.

Balance sheets under both old and new structures are expected to be published in April along with Société Générale's consolidated results. On current valuations the assets going into the four new holding companies total about FFr 6bn.

Mr Visnot said net profits of the Société Générale parent company would be between FFr 770m and FFr 800m in 1986, compared with FFr 600m in 1985.

## Citroën sees return to profit at year-end

BY PAUL BETTS IN PARIS

CITROËN, the private French car concern owned by Peugeot, will report a profit of about FFr 300m (\$45.5m) this year after six consecutive years of losses.

Mr Jacques Calvet, the chairman of Peugeot, also said yesterday that he expected the Citroën subsidiary to show improved profitability next year which would be "in line with a company with annual sales of between FFr 33m-FFr 34m."

With the return to profitability of Citroën, all the car operations in the Peugeot group are now in the black again. The Peugeot-Talbot subsidiary had come back into profitability well before Citroën.

The Peugeot group itself is expected to report profits of about FFr 2m or more this year compared with earnings of FFr 54m last year when the Peugeot division was profitable but when Citroën still lost about FFr 400m.

Mr Calvet said the turnaround in Citroën's financial performance was the result of improved commercial performance and strong productivity gains which have totalled about 10 per cent this year.

The productivity gains follow on-going efforts to hold down the cost of production costs, a 10 per cent lowering in the level of inventories, wage moderation and continuing workforce adjustments.

Citroën shed 4,000 jobs or 10 per cent of its workforce in 1984, another 3,500 jobs or 8.5 per cent of the workforce last year and just under 2,000 jobs, or about 5 per cent of the workforce, this year.

Mr Calvet said Citroën car production was expected to increase from 625,000 cars this year to 700,000 cars next year. Citroën's investments next year would total FFr 3.5bn next year compared with

FFr 3.5bn this year while overall Peugeot group investments next year would rise to FFr 8.5bn from FFr 7.9bn this year. While Citroën European car export sales rose last year to give the company a 4.4 per cent share of the European market, its market share in France declined from 12.8 per cent last year to 11.8 per cent this year.

The largest sales gains were made this year in the UK where sales increased 23.3 per cent, followed by Denmark with a 26.1 per cent increase and then West Germany and the Netherlands with a 23.4 per cent rise.

Mr Calvet said he expected the French car market to continue to recover this year with sales reaching the 1.8m level from between 1.6m-1.8m this year. However, he expected the European market as a whole to decline by about 2 per cent.

## Sony hit by rise in value of yen

By Yoko Shibata in Tokyo

SONY, the Japanese electronics group, yesterday reported a 42.6 per cent fall in consolidated net profits to Y41,890m (\$258.1m) for its latest year. Sales were down 8.7 per cent to Y1,355,160m, reflecting attempts to defend the company's world market in the face of the yen's rapid rise.

The result embraced the parent company's pre-tax profits of Y35,450m, down 60 per cent, and net profits of Y30,990m, down 38.7 per cent, on turnover of Y1,636,200m, a drop of 3.5 per cent from the previous year. The dividend is being held at Y44 a share.

Sony announced yesterday that it would change its year-end to March 31 from the present October 31, falling into step with most Japanese industrial companies and the Japanese Government's fiscal year.

The yen's 40 per cent appreciation against the dollar during the year, eroded sales by Y243m. This particularly affected sales in the US, which increased 24 per cent in dollar terms but plunged by 10.7 per cent in yen terms.

Conversely, yen sales in Europe rose by 11.7 per cent, on strong demand for 8mm video camcorders and compact disc (CD) players.

Overseas sales fell 11.4 per cent to account for 70.5 of total turnover. Domestic sales rose 6.8 per cent, also down from strong sales of the 8mm video format products, CD players and Walkman personal stereos.

Overall, sales of its older Beta format video cassette recorders slid by 501,000 units to 1.4m units. Sony attributed this to the introduction of the 8mm video range in which it sold 1.3m camcorders during the year.

Meanwhile, sales of colour television sets fell 12.4 per cent to account for 24 per cent of the total turnover.

## Loan 'boosted Fermenta profits'

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

MR Rezaei El-Sayed, the former majority owner and chief executive of Fermenta, the troubled Swedish biotechnology group, said yesterday that he had borrowed SKr 50m (\$7.2m) at a foreign bank, which he had used to boost Fermenta's 1985 profits.

Mr Erik Ehn, managing director of Nordbanken, the Swedish bank, confirmed last night that some SKr 50m had been borrowed from Arbutnot Latham, the bank's London subsidiary, by Mr El-Sayed, but said that the loan had since been repaid. "It has not been in our books for a long time."

In an interview with Dagens Nyheter, the leading Swedish morning newspaper, Mr El-Sayed admitted that the funds had been channelled to Fermenta.

It is understood that this is one of the transactions discovered by Fermenta's auditors, which were reported to the board last week and plunged the company into renewed crisis.

Mr El-Sayed is understood to have informed colleagues last year of a deal in which Fermenta technology had been sold to a company in Mexico for SKr 50m. The proceeds for this deal had still not come in as the accounts for 1985 were being prepared earlier this year.

Mr El-Sayed is understood to have borrowed the funds at the London bank in order to avoid a cut in Fermenta profits. These were then channelled via intermediaries abroad to Fermenta in Stockholm as if they had come in payment for technology sales.

The irregularities in the source of the payment were not originally discovered by the auditors.

Mr El-Sayed insisted in the newspaper interview that he had taken the loan out of consideration for the company. He refused to accept the interpretation that he had misled shareholders.

## Utah sells prospecting interests in S. Africa

BY JIM JONES IN JOHANNESBURG

UTAH INTERNATIONAL, the California-based subsidiary of Australia's Broken Hill Proprietary, has sold its South African prospecting interests to Severin Mining and Development, a small Johannesburg-based mining company.

The sale price has not been disclosed, although Severin plans to raise capital through the Johannesburg stock exchange next year to finance mine developments.

At present Severin's principal interest is a holding in Rand Leses, a defunct gold mine which Severin has recently returned to production on Johannesburg's western edge.

Utah's prospecting interests, which are held by wholly-owned Southern Sphere Mining and Development, include gold in the northern Transvaal, diamonds and chromite in the western Transvaal, and tantalite in Namibia.

Mr Ian Preston, Severin's deputy managing director, says that the gold prospects are likely to be the first to be brought into production. In the meantime Severin's own staff are confirming earlier exploration work done by Southern Sphere.

Measurix, the US maker of process control systems, is to sell its South African subsidiary to management. AP-DJ reports from Capetown, California.

Measurix (South Africa), a sales and service operation, is located in Durban and employs 36 field personnel.

## Ponderosa agrees to new offer

By Rodrick Gram in New York

PONDEROSA, a US restaurant chain, has agreed to an increased takeover offer from an investment group led by Mr Asher Edelman after a protracted and acrimonious battle.

The group, which already held 19 per cent of Ponderosa stock, improved its offer to \$20.25 a share from \$27.50, valuing it at \$285m.

Business has grown briskly for the chain of 431 company-owned and 170 franchised steak houses as many Americans have moved up market from fast-food outlets.

Analysts are forecasting net profits of about \$1.75 a share this year, up from 30 cents last year, on revenues of \$455m against \$460.5m.

This notice complies with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited.

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Credit Suisse First Boston Limited	Deutsche Bank Capital Markets Limited
Lazard Brothers & Co., Limited	Morgan Grenfell & Co. Limited
Morgan Stanley International	Nomura International Limited
Soditic (Jersey) Limited	Union Bank of Switzerland (Securities) Limited
Wood Gundy Inc.	

Application has been made to the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the Bonds (in denominations of £5,000 and £50,000 each) to be admitted to the Official List. Interest is payable annually in arrears on 6th January, the first such payment being due on 6th January, 1988.

Particulars of the Bonds are available in the Extra Statistical Services. Copies of the Listing Particulars may be obtained during normal business hours on any weekday up to and including 23rd December, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 2nd January, 1987 from:-

Cazenove & Co., 12 Tukenhouse Yard, London EC2R 7AN.	Dixons Group plc, 18/24 High Street, Edgware, Middlesex HA8 7EG.
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19th December, 1986

These Notes having been sold, this announcement appears as a matter of record only.

New Issue November 1986

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## MARINE MIDLAND BANK N.A.

### U.S.\$125,000,000 Floating Rate Subordinated Capital Notes Due 1996

For the three months

19th December, 1986 to 19th March, 1987

the notes will carry an interest rate of 6 3/4% per annum with a coupon amount of U.S.\$105.83 per U.S.\$10,000 note and U.S.\$28.13 per U.S.\$50,000 note. The relevant interest payment date will be 19th March, 1987.

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in accordance with the terms and conditions of the above mentioned Notes notice is hereby given that the Rate of Interest has been fixed as 6 3/4% p.a. and that the interest payable on the relevant Interest Payment Date, June 15, 1987 against Coupon No. 5 in respect of U.S.\$10,000 nominal of the Notes, will be U.S.\$325.45.

December 19, 1986, London  
By: Citibank, N.A. (CSSI Dept.), Agent Bank

**CITIBANK**

**INTL. COMPANIES and FINANCE**

**Alan Friedman on the controversy over the Milan merchant bank Mediobanca old guard under siege**

THE MERE mention of Mediobanca, the powerful Milan merchant bank to its senior Italian banker, businessman or politician tends to rouse the most passionate sentiments. Its name has been plastered across the front pages of Italian newspapers for the past seven days. The row about its future has even divided the five parties which make up the ruling coalition of Mr Bettino Craxi, the Prime Minister.

The reason for all of this controversy is that once again the conflict over the future of Mediobanca has exploded in Parliament and in Milanese financial circles. The issue is a peculiarly Italian one and hard to sum up in a few words, but for many thinking Italians the Mediobanca struggle represents far more than what it appears to be on the surface, namely a battle for management control between the majority shareholder — IRI, the state holding group — and a tiny band of private sector minority shareholders led by Fiat, Pirelli and other glittering names in Italian industry.

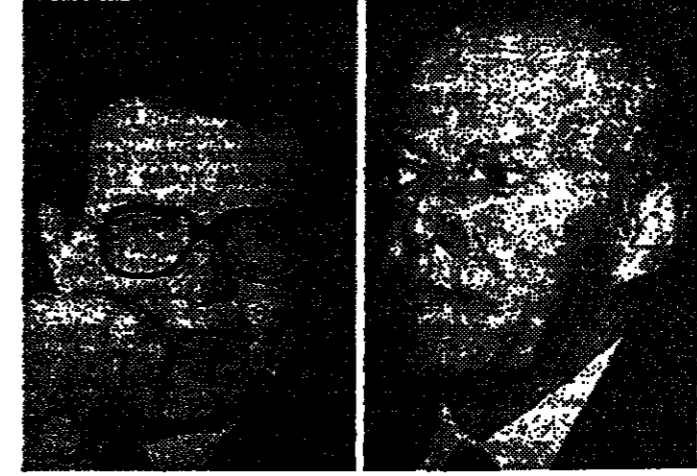
Instead, the Mediobanca issue seems a symbol of the continuing tug-of-war between modernising and retrograde-minded Italians, who want the country's financial system to become more pluralistic and on a par with northern European practices, and the old guard of Italian capitalism. The latter wish to preserve a status quo under which an oligarchic establishment has traditionally set the rules of the game and forced everyone else to observe them. Even before the start of the current Mediobanca controversy, however, the influence of the old guard had begun to decline, especially with the emergence of new players such as Mr Carlo De Benedetti and Mr Raul Gardini.

The Mediobanca controversy has been rekindled by a proposal by private minority shareholders that IRI, which through its three bank subsidiaries owns 56.6 per cent of the merchant bank, should reduce its holding below 50 per cent by selling shares out of the tyre company said a spokesman for the private shareholders.

The flames have been fanned by a related controversy over the management of Mediobanca, which since 1946 has been effectively run by Mr Enrico Cuccia, a secretive and imperious 78-year-old who has for the past generation been Italy's most influential corporate deal maker and financial fixer. If Mr Giulio Andreotti, the veteran Christian Democrat politician who is currently foreign minister, is Italy's political maestro, then Mr Cuccia is considered the country's financial equivalent.

Pirelli's privatisation proposal for Mediobanca was rejected last week by Mr Romano Prodi, chairman of IRI who has stressed repeatedly the need for Mediobanca to broaden its client base and stop serving the interests of its minority shareholders such as the Agnelli's (who control Fiat) and Pirelli's.

Mr Prodi said he was not averse to reducing IRI's stake in Mediobanca below 50 per cent, but he insisted that IRI



Mr Romano Prodi (left), who wants IRI to control Mediobanca, and Mr Leopoldo Pirelli, champion of the private minority shareholders

on industrial cross-holdings and vital Mediobanca share stakes in Fiat, Pirelli, Generali and other companies.

Mediobanca has frequently orchestrated deals for this charmed circle, which many newcomers to Italian finance claim are preferential. For example, when the Agnelli family two months ago bought 10 per cent of Fiat ordinary shares from the Libyan Government, the deal was financed by means of two Mediobanca bond issues which provided \$1.1bn of funds over 11 years at an average interest rate of 2.6 per cent. The bonds are convertible into

cracy. This seems improper since in any other country if you own 51 per cent of a business you control it.

The Mediobanca issue is even more complex than the state-private struggle suggests. The Christian Democrat party, which has influence at IRI, wants to wrest control of Mediobanca from the private minority shareholders, but the Republican party meanwhile has virtually threatened a government crisis if the Pirelli privatisation proposal is not approved.

Mr Craxi, somewhat unusually, has thrown his Socialist party's weight behind Mr Prodi, as have the Social Democrats. The Liberal party (the last of the five coalition parties) has now sided with the Pirelli proposal.

Taking of sides by political parties is considered "part of the game" in Italy but it strengthens the private sector's fears of political meddling in the affairs of Mediobanca, which was one of Mr Cuccia's original concerns.

Mr Prodi wants IRI's majority shareholding in the banks to be reflected in the management. Some Italians still wonder whether this could mean interference from Rome, although the IRI chief has stressed on many occasions that he does not wish to interfere.

The larger issue, however, is whether it is reasonable for Mr Cuccia and his allies to expect Mediobanca to continue to be the supreme arbiter of corporate deal making in Italy. The reality here has overtaken the wishes of the old guard. This reality is a growing stock market, a group of 58 active unit trusts which have attracted \$480m of savers' funds over the past two years and several stinging defeats for Mr Cuccia over stock market takeovers such as the recent acquisition by Montedison of La Fondiaria, the Florence insurer, against Mediobanca's wishes.

Even Wall Street and City of London bankers who follow Italian affairs consider Mr Cuccia a declining power. In Milan, meanwhile, the rise of Sige, a merchant bank controlled by the IRI state credit institute, has challenged Mediobanca's supremacy.

The Mediobanca struggle will carry on into the new year, but some compromise is likely in the opening months of 1987. The end result, whatever the details of the settlement, is that Mediobanca will increasingly become just another merchant bank among others in the market, rather than what the old guard would prefer, which is *primus inter pares*.

must have management control, something which in spite of its absolute majority shareholding the state group has never had.

The reason for this strange state of affairs is that Mr Cuccia long ago devised a shareholders "control syndicate" which gave private minority shareholders, who together have only 6 per cent of Mediobanca, voting rights equal to IRI, which owns 56.6 per cent of the bank. Mr Cuccia's vision of Mediobanca in the 1940s and 1950s — a vision which continues today — was of a "strong box" of Italian capitalism which would prevent unexpected takeovers and keep control of leading companies "in the family."

Mr Cuccia, who has been investigated by a Rome magistrate in connection with an embezzlement scandal dating back to the 1970s, assured himself and his allies (the Agnelli's, Pirelli's and others) of such control by creating a spider's web of financial power, based

shares of three companies controlled by the Agnelli family and Fiat has meanwhile bought the entire issue, which means an effective transfer of companies from the family to Fiat.

Although there is nothing improper about the transaction, this is precisely the sort of deal that has irked IRI, which feels that its own state banks are gathering funds for Mediobanca and yet the merchant bank is in the hands of a small group of minority shareholders.

Mr Paolo Azioni, a leading stockbroker and managing director of ABK, a Milan investment bank in which Kleinwort Benson of the UK is a partner, said yesterday he could not see why the majority shareholder of Mediobanca should not be able to exercise control. "As an Italian taxpayer I am amazed that for all these years Mediobanca has been run by taxpayers' money as a private company for the benefit of a few private shareholders such as the Agnelli's, Pirelli's and other members of the Italian pluto-

This announcement appears as a matter of record only.

New Issue

Canadian \$100,000,000

**JOHN LABATT**

JOHN LABATT LIMITED  
(Organised under the laws of Canada)

9 1/2% Debentures due January 21, 1992

Issue Price: 100 1/2%

- |  |   |  |                             |
|--|---|--|-----------------------------|
| Wood Gundy Inc.  | Orion Royal Bank Limited                          |  |                             |
| Bank of Montreal Capital Markets Limited                                 | The Bank of Nova Scotia Group                     |  |                             |
| Banque Bruxelles Lambert S.A.  | Banque Paribas Capital Markets Limited            |  |                             |
| CIBC Limited   | Deutsche Bank Capital Markets Limited             |  |                             |
| Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft | McLeod Young Weir International Limited           |  |                             |
| Merrill Lynch Capital Markets  | Midland Doherty Limited                           |  |                             |
| Nomura International Limited   | Salomon Brothers International Limited            |  |                             |
| Société Générale   | Toronto Dominion International Limited            |  |                             |
| Union Bank of Switzerland (Securities) Limited                           | Burns Fry Limited                                 |  |                             |
|  |   |  |                             |
| Attel & Cie S.A.   | Bank Gutzwiller, Kurz Bungener (Overseas) Limited | Bankhaus Hermann Lampe KG              |                             |
| Banque Indosuez  | Banque de Luxembourg S.A.                         | Banque Nationale de Paris              |                             |
| Bayerische Landesbank Girozentrale                                       | Berliner Bank Aktiengesellschaft                  | Caisse Centrale des Banques Populaires |                             |
| Chase Investment Bank  | Chemical Bank International Group                 | Crédit Communal de Belgique S.A.       |                             |
| Crédit du Nord   | Deutsche Girozentrale - Deutsche Kreditbank       | Dresdner Bank Aktiengesellschaft       |                             |
| Fuji International Finance Limited                                       | Generale Bank                                     | Goldman Sachs International Corp.      |                             |
| Great Pacific Capital  | Hambros Bank Limited                              | Hessische Landesbank Girozentrale      |                             |
| Lévesque, Beaubien Inc.  | Mitsubishi Finance International Limited          | Norddeutsche Landesbank Girozentrale   |                             |
| Sal. Oppenheim jr. & Cie.  | Pierson, Hedding & Pierson N.V.                   | PK Christiania Bank (UK) Ltd.          |                             |
| Prudential - Bache Securities International                              | Rea Brothers Plc                                  | Sanwa International Limited            |                             |
| Schoeller & Co. Bankaktiengesellschaft                                   | J. Henry Schroder Wagg & Co. Limited              | Swiss Volksbank                        | Tokai International Limited |
| Vereins- und Westbank  | Westdeutsche Genossenschafts-Zentralbank e.G.     |  |                             |

December 1986

*This announcement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer or invitation to any person to subscribe for, or purchase, any of the Preferred Shares.*

### The Bangkok Fund

**Bangkok Investments Limited**  
*(an exempted open-ended investment company registered with limited liability in the Cayman Islands)*

**Introduction of Participating Redeemable Preferred Shares of one U.S. cent each ("Preferred Shares") in Bangkok Investments Limited ("BIL").**

The Bangkok Fund (the "Fund"), which comprises BIL and its wholly owned subsidiary incorporated in Singapore, is the first mutual investment vehicle for non-resident portfolio investment in Thailand. The principal objective of the Fund is capital growth through investment primarily in equities listed or to be listed on the Securities Exchange of Thailand.

970,246 Preferred Shares in BIL are to be issued and allotted today at a price of U.S.\$16.08 per share. Following this issue, BIL will have 1,970,246 Preferred Shares issued and outstanding.

The investment adviser to the Fund is Bangkok First Investment & Trust Ltd., which is majority owned by Bangkok Bank Limited and affiliates. The Bank of N. T. Butterfield & Son (Cayman) Limited provides management and administration services to the Fund in the Cayman Islands.

Application has been made to the Council of The Stock Exchange for permission for the Preferred Shares to be admitted to the Official List. It is expected that dealings in the Preferred Shares will commence on 29th December, 1986. Particulars of BIL are available in the statistical services of Extel Financial Limited. Copies of such particulars are available for collection from the Companies Announcements Office of The Stock Exchange up to and including 23rd December, 1986, and up to and including 5th January, 1987 from:

Merrill Lynch Limited Sherborne House 119 Cannon Street London EC4N 5AX	Cazenove & Co. 12 Tokenhouse Yard London EC2R 7AN
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19th December, 1986

*This advertisement complies with the requirements of the Council of The Stock Exchange.*

### THORN EMI plc

*(Incorporated with limited liability in England)*

**£60,000,000**

**7 3/8 per cent. Bonds due 1992**

**with Warrants to Subscribe for Ordinary Shares of THORN EMI plc**

**Issue Price per Bond and 216 Warrants:**  
**100 per cent. of the principal amount of a Bond**

The following have agreed to subscribe or procure subscribers for the Bonds and the Warrants:

County NatWest Capital Markets Limited	Morgan Grenfell & Co. Limited
Commerzbank Aktiengesellschaft	Crédit Commercial de France
Credit Suisse First Boston Limited	Dresdner Bank Aktiengesellschaft
Genossenschaftliche Zentralbank AG - Vienna	
Goldman Sachs International Corp.	Kidder, Peabody International Limited
Morgan Stanley International	Nomura International Limited
Société Générale	Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited	S. G. Warburg Securities
HandelsBank N.W. (Overseas) Ltd.	
Julius Baer International Limited	Banca del Gottardo
Bank J. Vontobel & Co. AG	Compagnie de Banque et d'Investissements, CBI
Leu Securities Limited	Pictet International Ltd.
Sarasin International Securities Limited	Swiss Cantobank
Application has been made to the Council of The Stock Exchange for the Bonds and the Warrants to be admitted to the Official List. Interest on the Bonds will be payable annually in arrear commencing 14th January, 1988.	
Particulars relating to the Company, the Bonds and the Warrants are available in the Extel Statistical Service. Copies of the listing particulars may be obtained during business hours up to and including 23rd December, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 2nd January, 1987 from:	

County NatWest Capital Markets Limited Drapers Gardens 12 Throgmorton Avenue London EC2P 2ES	Bankers Trust Company Dashwood House 69 Old Broad Street London EC2P 2EE
Rowe & Pitman Ltd. 1 Finsbury Avenue London EC2M 2PA and at The Stock Exchange	

19th December, 1986

**Financière CSFB N.V.**  
**U.S. \$150,000,000**

**Junior Guaranteed**  
**Undated Floating Rate Notes**  
Guaranteed on a subordinated basis  
as to payment of principal and interest by

**Financière**  
**Crédit Suisse First Boston**

Interest Rate	6 3/8% per annum
Interest Period	19th March 1987 19th March 1987
Interest Amount due	19th March 1987
per U.S.\$ 5,000 Note	U.S.\$ 82.81
per U.S.\$100,000 Note	U.S.\$1,656.25

**Credit Suisse First Boston Limited**  
Agent Bank

**U.S. \$20,000,000**  
Floating Rate Subordinated  
Bearer Participation Certificates 1990

issued by The Law Debenture Intermediary Corporation Limited  
evidencing entitlement to payment of principal and interest  
on an advance made to

**Den norske Creditbank (Luxembourg) S.A.**  
repayment of which is guaranteed on a subordinated basis by  
**Den norske Creditbank**

**DnC**

Interest Rate	6 3/4% per annum
Interest Period	19th December 1986 19th March 1987
Interest Amount per	U.S.\$1,000 Certificate due
19th March 1987	U.S.\$16.88

**Credit Suisse First Boston Limited**  
Agent Bank

NEW ISSUE

This announcement appears as a matter of record only.

December, 1986



# HARIMA CHEMICALS, INC.

U.S.\$30,000,000

3 3/4 per cent. Guaranteed Bonds 1991

with

Warrants

to subscribe for shares of common stock of Harima Chemicals, Inc.

The Bonds will be unconditionally and irrevocably guaranteed by

**The Taiyo Kobe Bank, Limited**

ISSUE PRICE 100 PER CENT.

Daiwa Europe Limited

Taiyo Kobe International Limited

Banca della Svizzera Italiana

Banca del Gottardo

Baring Brothers & Co., Limited

Kyowa Bank Nederland N.V.

Melko Securities (H.K.) Limited

Morgan Stanley International

New Japan Securities Europe Limited

Nomura International Limited

Sanwa International Limited

J. Henry Schroder Wagg & Co. Limited

Sumitomo Finance International

Universal (U.K.) Limited

Westdeutsche Landesbank Girozentrale

NEW ISSUE

This announcement appears as a matter of record only.

December, 1986



U.S.\$150,000,000

# IBM Japan, Ltd.

7 1/4 per cent. Notes Due 1991

ISSUE PRICE 101 3/4 PER CENT.

Daiwa Europe Limited

Mitsubishi Trust International Limited

Morgan Guaranty Ltd

Salomon Brothers International Limited

Banque Nationale de Paris

Banque Paribas Capital Markets Limited

Citicorp Investment Bank Limited

Commerzbank Aktiengesellschaft

County NatWest Capital Markets Limited

Credit Suisse First Boston Limited

Fuji International Finance Limited

Mitsubishi Finance International Limited

Mitsui Finance International Limited

The Nikko Securities Co., (Europe) Ltd.

Nomura International Limited

Sanyo International Limited

Swiss Bank Corporation International Limited

Takagin International Bank (Europe) S.A.

Westpac Banking Corporation

Yamatane Securities (Europe) Limited

NEW ISSUE

This announcement appears as a matter of record only.

December, 1986

# NMB MINEBEA CO., LTD.

(Minebea Kabushiki Kaisha)

U.S.\$100,000,000

7 3/4 per cent. Guaranteed Bonds due 1991

unconditionally and irrevocably guaranteed by

**The Long-Term Credit Bank of Japan, Limited**

ISSUE PRICE 101% PER CENT.

Daiwa Europe Limited

Banca del Gottardo

Bank of Tokyo International Limited

Banque Indosuez

Baring Brothers & Co., Limited

Berliner Handels-und Frankfurter Bank

Chase Investment Bank

Credit Suisse First Boston Limited

Dai-ichi Europe Limited

DKB International Limited

Kleinwort Benson Limited

KOKUSAI Europe Limited

Kyowa Bank Nederland N.V.

LTCB International Limited

Merrill Lynch Capital Markets

The Nikko Securities Co., (Europe) Ltd.

Nippon Kangyo Kakumaru (Europe) Limited

Nomura International Limited

Société Générale

Sumitomo Trust International Limited

Taiyo Kobe International Limited

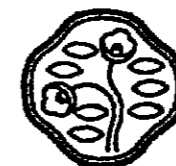
Takagin International Bank (Europe) S.A.

Universal (U.K.) Limited

NEW ISSUE

This announcement appears as a matter of record only.

December, 1986



# SHISEIDO

## SHISEIDO COMPANY, LIMITED

U.S.\$120,000,000

3% per cent. Bonds due 1991

with

Warrants

to subscribe for shares of common stock of Shiseido Company, Limited

ISSUE PRICE 100 PER CENT.

Daiwa Europe Limited

Credit Suisse First Boston Limited

DKB International Limited

Nomura International Limited

Banque Bruxelles Lambert S.A.

Banque Indosuez

Banque Nationale de Paris

Banque Paribas Capital Markets Limited

Baring Brothers & Co., Limited

Commerzbank Aktiengesellschaft

Crédit Lyonnais

Deutsche Bank Capital Markets Limited

Dresdner Bank Aktiengesellschaft

EBC Amro Bank Limited

Robert Fleming & Co. Limited

Fuji International Finance Limited

Goldman Sachs International Corp.

Lloyds Merchant Bank Limited

Merrill Lynch Capital Markets

Morgan Grenfell & Co. Limited

Morgan Guaranty Ltd

Morgan Stanley International

Nippon Kangyo Kakumaru (Europe) Limited

Salomon Brothers International Limited

J. Henry Schroder Wagg & Co. Limited

Société Générale

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

S. G. Warburg Securities

Westdeutsche Landesbank Girozentrale

**FINANCE**

**Milan merchant bank under siege**

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cracy. This since in my you own 51 per ness you control

The Mediocredito more complex private complex Christian Democ has inducement worst control of holders, but the party meanwhile threatened a general if the Pirelli proposal is not approved.

Mr. Cral, usually, has three party's weight as have the Social The Liberal party the five common now aided with the pool.

Taking of side parties is considered the game" in the strengthens the fears of political the affairs of Mediocredito was one of Mr. Cral's concerns.

Mr. Prodi wants shareholding in the reflected in the Some Italian whether this confidence from the IRI chief has many occasions wish to interfere.

The larger issue whether it is reasonable Cuccia and his Mediocredito is the supreme authority here has overruled of the old board. A growing stock of 58 active will have attracted funds over the and several times Mr. Cuccia over takeover such as Fondiaria, the Florentine against Mediocredito.

Even Wall Street London banks Italian affairs Cuccia a declining Milan, meanwhile, Sige, a member controlled by the IRI institute, has challenged Cuccia's supremacy.

The Mediocredito carry on into the some compromise the opening main. The end result details of the settlement Mediocredito will become just another bank among the market, rather than a giant would per is previous inter you

Medio-private

aries com- the family he bought ch means of com- ly to Fiat. s nothing transaction. sort of deal which feels banks are Mediocredito bank is in group of a leading managing man invest. Kiewitwort a partner did not see March. For did not be not. As an un-armed the Mediocredito with the were com- of a few sure as the the other had photo

The Times Exchange

92 Shares

nter- of a Bond

Bonds and the Warrants

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re Commercial de France r Bank Aktiengesellschaft Vienna

ly International Limited and International Limited ion International Limited S. G. Warburg Securities

Banca del Gottardo er d'Investissements, CIL Pictet International Ltd. Swiss Cantobank

Bonds and the Warrants to be in the market commencing 1986

table in the Excel Statistical and up to and including Stock Exchange and up to and

Bankers Trust Company Dashwood House 25 Old Broad Street London EC2P 2EP

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Philips gains approval for 4m share float in Milan

PHILIPS, the Netherlands-based electronics group, is to become the first foreign company to issue shares and gain a quotation on the Milan bourse. The Italian Government has authorised the issue of 4m new Philips shares, to be floated on the Italian stock market early next year—probably in February. The ground-breaking Philips share offer is expected to raise around \$75m. The proceeds are to be used by Philips to expand its production of television sets at Monza, near Milan, from a current level of around 600,000 units a year to around 1m a year. Philips will also use part of the funds raised to invest in facilities for the manufacture of medical equipment. Italy's foreign trade ministry has authorised the Philips share issue with the proviso that the proceeds be used for investment inside Italy. This is expected to become the standard criterion, at least for the time being, for foreign companies wishing to come to the Milan equity market. The Philips issue is seen by analysts in Italy as a key step toward liberalising rules on the movement of capital and is expected to be followed by other issues designed to bring Italy into line with European guidelines. Electrolux, the Swedish appli-

Spain attracts foreign investors

FOREIGN SHARE purchases in Madrid will have increased almost fourfold this year to Pta 350bn (\$2.57bn), according to estimates by the stock exchange, with 30 per cent coming from Britain. Although foreigners have also been selling their holdings at a much faster rate, net foreign investment on the market is expected to increase to Pta 125bn, compared with Pta 45.6bn last year and Pta 14.7bn in 1984. Strong foreign demand in the wake of Spain's entry into the European Community has been a key factor behind this year's record levels on the bolsa, where the general index yesterday reached a new high of 206.73, up 2.68 points from Wednesday. The index, which is re-based at 100 at the start of each year, has crossed the 200 mark three times since the beginning of September. Since 1980, foreign turnover has multiplied more than 100 times over, and foreign share purchases are expected to make up more than 20 per cent of the total for this year. Purchases from the UK are estimated at Pta 105bn, followed at some distance by West Germany, Switzerland, France and Belgium. The main focus of foreign

Japan's offshore bank trade slackens

TOKYO'S offshore banking market has started to slacken after a start, as expected. Following an initial rush to transfer deposits to offshore accounts on December 1, the opening day, the market has settled down to a relatively low level of daily transactions. According to Mr Yusuke Kashiwagi, chairman of the Bank of Tokyo, the cumulative total of transactions in the first 10 days was \$380bn in dollars and \$688bn in yen. On the 10th day itself, deals worth \$800m were done. Funds transferred to the new market on the first day amounted to \$55m, most of it in dollars. The Long-Term Credit Bank of Japan was the biggest investor, shifting \$11bn of deposits to the market. Activity has been sluggish because the Japanese Ministry of Finance has rejected pleas to waive taxes on offshore transactions and to permit trading in securities. Thus, the market is not as attractive to investors as other offshore markets in the Far East, such as those in Hong Kong and Singapore. Mr Kashiwagi, who chaired a committee of bankers last year that recommended the formation of an offshore market said he was not optimistic about an early liberalisation of the market. The Ministry of Finance was preoccupied at the moment with a general tax reform project. "The baby is born, but whether it will grow to the size we want it to grow, it is too early to say," Mr Kashiwagi said.

Kvaerner securities probe requested

By Terje Knutsen in Oslo THE NORWEGIAN Securities Exchange Commission has asked the police to start criminal proceedings against Mr John Odsjell, managing director of Vesta for alleged violation of the Norwegian securities law in connection with the acquisition of shares in Kvaerner, the Norwegian engineering energy and shipping group. The commission alleged that Mr Odsjell had failed to notify the Oslo Stock Exchange and Kvaerner that the Vesta Group with its subsidiary Investa, had acquired more than 10 per cent of Kvaerner. The board of the commission has also asked its administration to investigate whether the Vesta and Fondsmisjonen, the stockbroking firm, violated the law in connection. Meanwhile on Wednesday Kvaerner sought off a takeover attack by Elkem, the electrochemicals and metals group, at a very heated commercial shareholders meeting. Elkem had called the meeting to claim seats on the Kvaerner board after acquiring a 27 per cent stake. Opponents of the takeover, including Kvaerner administration, its board, employees and minority holders, maintain that Elkem's main aim is to gain access to the group's liquid assets, totalling Nkr 1.3bn (US\$171m). The Kvaerner board unanimously decided that the other major shareholders, Bergesen, the shipping group with 13 per cent and Vesta, the insurance group (10 per cent) should not be allowed to vote. The foreign shareholders German Commerzbank and Invesco, the Swiss investment firm, were also barred from voting. Kvaerner's board said the company was subject to a "coordinated attack" as Elkem, Bergesen and Vesta acquired 50 per cent of its shares on the same day. Elkem has reacted strongly to the methods employed by Kvaerner to deny the vote to large shareholders and has initiated legal action to have the general meeting's resolution declared invalid. In addition, Elkem has requested that the case be brought before the committee of the Oslo Stock Exchange.

\$150m CD offering by Banco do Brasil

By Alexander Nicol, Euromarkets Editor BANCO DO BRASIL yesterday signed a \$150m certificate of deposit issue, marking the first return by a Brazilian borrower to the securities markets without external credit backing since the debt crisis cut the country's access to them in 1982. The issue replaces about 5 per cent of Banco do Brasil's short-term interbank credit lines which, like those of other Brazilian banks with operations abroad, have been constantly rolled over by international banks under Brazil's debt rescheduling accords. A number of Mexican banks have made similar arrangements, and Banco do Brasil signed a \$50m commercial paper facility earlier this year under which issues are covered by a letter of credit from Fuji Bank, giving them a top credit rating. Underwriting banks could transfer their credit lines to Banco Itaú to the new facility. Banco do Brasil, which is government-owned, currently pays just over 4 percentage points above London interbank offered rates (Libor) on its interbank lines, a spread lower than those paid by many other Brazilian banks. Mr Adroaldo Moura da Silva, vice chairman, said in London yesterday. The new issue will allow it to convert \$150m of these lines into four-year debt at 4 1/2 percentage points above Libor, which banks also earning a 60 basis point front-end fee. It has been arranged by First Interstate Capital Markets, which arranged several of the Mexican deals, and was oversubscribed. For borrowers, issues such as these avoid time-consuming repeated renegotiations of government debt which, it is said, are longer-term and afford them an explicit sign of improving confidence among banks in the borrower's economy. Banks are essentially the same all-round return as the interbank lines, avoid time-consuming renegotiations, and replace the interbank securities which could eventually be traded off their books. No active market is expected to be made initially, but the CDs could become more tradable during their life if Brazil's creditworthiness improves further.

Y20bn issue by ECSC encounters strong demand

THE EUROPEAN Coal and Steel Community (ECSC) Eurobond market yesterday encountered a \$20bn issue of deposit issue, marking the first return by a European borrower to the securities markets without external credit backing since the debt crisis cut the country's access to them in 1982. The issue replaces about 5 per cent of Banco do Brasil's short-term interbank credit lines which, like those of other Brazilian banks with operations abroad, have been constantly rolled over by international banks under Brazil's debt rescheduling accords. A number of Mexican banks have made similar arrangements, and Banco do Brasil signed a \$50m commercial paper facility earlier this year under which issues are covered by a letter of credit from Fuji Bank, giving them a top credit rating. Underwriting banks could transfer their credit lines to Banco Itaú to the new facility. Banco do Brasil, which is government-owned, currently pays just over 4 percentage points above London interbank offered rates (Libor) on its interbank lines, a spread lower than those paid by many other Brazilian banks. Mr Adroaldo Moura da Silva, vice chairman, said in London yesterday. The new issue will allow it to convert \$150m of these lines into four-year debt at 4 1/2 percentage points above Libor, which banks also earning a 60 basis point front-end fee. It has been arranged by First Interstate Capital Markets, which arranged several of the Mexican deals, and was oversubscribed. For borrowers, issues such as these avoid time-consuming repeated renegotiations of government debt which, it is said, are longer-term and afford them an explicit sign of improving confidence among banks in the borrower's economy. Banks are essentially the same all-round return as the interbank lines, avoid time-consuming renegotiations, and replace the interbank securities which could eventually be traded off their books. No active market is expected to be made initially, but the CDs could become more tradable during their life if Brazil's creditworthiness improves further.

New chairman for IPMA

MR ARMIN MATTLE, managing director of Union Bank of Switzerland (Securities), is taking over from Mr John Saunders as chairman of the International Primary Market Association (IPMA), the organisation which provides recommendations on market practices in Eurobond new issues to member houses active in the market. Mr Saunders, who was recently appointed chairman and chief executive of Orion Royal Bank, has presided over IPMA since its formation in December 1984. IPMA has produced 11 recommendations aimed at improving disclosure in when lead-managers syndicate new deals.

Brierley joins NZ banks in international venture

BRIERLEY INVESTMENTS, Mr Ron Brierley's New Zealand master company, has joined Bank of New Zealand and Fay Richwhite, respectively the country's leading commercial and merchant bank, in forming an international banking and trust group called European Pacific Investments (EPI). Its chairman is to be Mr David Richwhite, who is joint chief executive of Fay Richwhite, the group behind New Zealand's so-called successful American City yacht race. He claimed yesterday that the new bank "will take on the world and hopefully be another winner." EPI was listed on the Luxembourg Stock Exchange yesterday and will also gain a quotation in New Zealand. The company has paid-up capital of US\$50m. The three partners will each hold 23 per cent, with the balance in public hands. An initial profit of at least seven million dollars for 1987 is predicted. The bank will operate in Europe, Asia and the Pacific Rim countries. It will provide specialist banking facilities for international transactions, including advice and finance for takeovers. The bank will undertake trust and corporate management and will have an investment arm based in Hong Kong. EPI has acquired European Pacific Banking Corporation, the joint venture set up in the Cook Islands earlier this year by Brierley Investments and Capital Markets, the Fay Richwhite offshoot which is the capital of US\$50m. The three

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on December 18

Table of international bond prices with columns for country, denomination, price, and yield.

Table of convertible bond prices with columns for company, price, and yield.

Table of straight bond prices with columns for company, price, and yield.

Table of yen straight bond prices with columns for company, price, and yield.

AIBD Council of reporting dealers

The following firms have been admitted to membership of the council of reporting dealers, formed under the auspices of the Association of International Bond Dealers. Membership of the council commits firms to maintaining active secondary markets in a wide variety of international securities, and to supplying prices daily to the AIBD quotation and price services.

- List of member firms including Algemene Bank Nederland N.V., Amstelbank-Rotterdam Bank N.V., ANZ Mercantile Bank Limited, etc.

Zurich, December 19, 1986

John Wolfers Secretary General

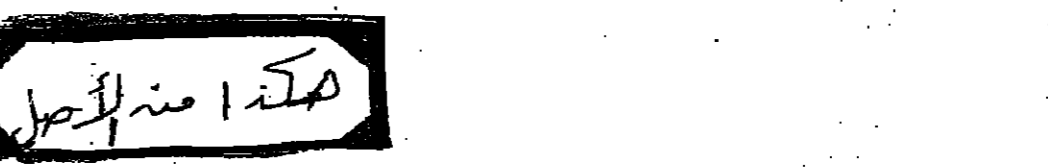
Baloeis group optimistic

By John Wicks in Zurich BALOEIS HOLDING, the parent company of the Basle-based insurance group of the same name, expects to report its 1985-86 dividend for its fiscal to May 31st. For the past year, the dividend had been increased from Sfr 17 to Sfr 18 a share and participation certificate following a rise in net profits from Sfr 10.7m to Sfr 11.4m (\$6.7m).

STAYING IN HOLLAND?

To complete the needs of the business traveller, complimentary copies of the Financial Times are available to guests staying in the

AMSTERDAM Apollo HOTEL FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER





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by Breder  
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BOND SERVICE

here is an adequate secondary market  
Closing prices

Table with multiple columns and rows of financial data, including bond prices and market indicators.

# THANKS A MILLION

...or, more accurately, thank you to each of around five million people who bought shares in British Gas. We gas people appreciate the confidence you've shown in us. And aim to justify that confidence by building on our success of the last twenty years or so.

Now, a word to our customers. You'll be glad to know that we intend to go on providing you with a comprehensive, first-class gas service. And to work even harder at improving it. Because we believe that by keeping our customers happy, we'll keep our shareholders happy, too.

So, if you're both a customer and a shareholder, you'll have *two* reasons for thinking gas is wonderful!









UK COMPANY NEWS

Aspinall profit hit by drop in high stake players

THE REDUCTION in oil prices and consequent fall in both the attendance of high stake players and the level of their business, is blamed by Aspinall Holdings for the fall in pre-tax profits from £15.66m to £7.31m in the year to September 30 1986.

Aspinall is a USM-quoted holding company which operates casinos and investment companies. In London the drop for the year declined from £14.4m to £11.47m. Although the decline in business was general in London, the directors said that Aspinall was probably more affected than other casinos because of its emphasis on high stake players.

comment Aspinall's gaming profits have been almost cut in half and profits before tax were about the same proportion of analysts' expectations - we all know that the house always wins but this is no guarantee of earnings quality, Aspinall's costs have risen in spite of the casino take and although the gaming win has improved slightly it is still low in historical terms.

Watson & Philip lifts profit by 50%

WITH ALL divisions but one contributing, the Dundee-based Watson & Philip group of food distributors lifted its turnover by 31 per cent, and the pre-tax balance by 50 per cent to £16.6m in the 53 weeks ended October 1 1986.

Ferguson in £7.3m US expansion

Ferguson Industrial Holdings, the Cumbria-based printing, packaging and plastics group is paying \$10.5m (£7.3m) for an 80 per cent stake in Empory Corporation, a US group with broadly similar businesses to those of Ferguson.

Bradstock profit up 66% despite some slowdown

THE RATE of profit growth slowed at Bradstock Group but this insurance and reinsurance broking business still showed an overall lift of 66 per cent for the year September 30 1986.

comment Bradstock's profit growth slowed at Bradstock Group but this insurance and reinsurance broking business still showed an overall lift of 66 per cent for the year September 30 1986.

Marston Thompson hopes to maintain midway rise

FIRST-HALF figures from brewer Marston Thompson & Evered showed that pre-tax profit improved by over 10 per cent to £5.87m following a 9 per cent rise at the trading level.

Gates says 'no'

Frank G. Gates, Ford main car dealer, yesterday advised shareholders to reject the 120p share cash bid from Giltrap UK.

Speyhawk rises to £6m

Following an increase in the price of Speyhawk, the price of the shares rose to £6m.

Cambridge Instrument tops £2.6m

REFLECTING the rise in the price of Cambridge Instrument, the price of the shares rose to £2.6m.

TSB dividend as forecast

TSB Group is paying a single dividend of 1.065p net per share for the year ended November 20, 1986, as forecasted in last September's offer-of-stake prospectus.

London & Scottish banks' balances as at November 28 1986

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. They are prepared by the committee of London and Scottish bankers and cover the balances of their offices and their subsidiaries which are listed by the Bank of England as falling within the monetary sector.

Table 1: Aggregate Balances. Table 2: Individual Group Balances. Includes columns for Total outstanding, Change on month, and various asset and liability categories.

GREENWICH RESOURCES: Turnover year ended September 30 1986 came to £431,976 (£455,000) reflecting increase in gold production at Gebbit, Sudan. That and higher level of interest income of £280,000 (£132,000) led to pre-tax profit £302,000 (loss £227,000).

RELIABLE PROPERTIES: Final dividend 3.25p making 4.5p for year ended June 30, 1986 (8.5p). Earnings 9.2p (12.5p). Net rets 2505,000 (£454,000).

Notice of Redemption U.S. \$30,000,000 The Sanwa Bank, Limited. Floating Rate Certificates of Deposit Due 29th January, 1988.

S.F.E. INTERNATIONAL N.V. U.S. \$75,000,000 Guaranteed Floating Rate Notes Due 1991. Société Financière Européenne - S.F.E. Luxembourg.

Profit after tax up by 25.5 per cent. FREEGOLD. Extract from the annual review by Mr E. P. Gush, chairman of Free State Consolidated Gold Mines Limited, administered by Anglo American Corporation.

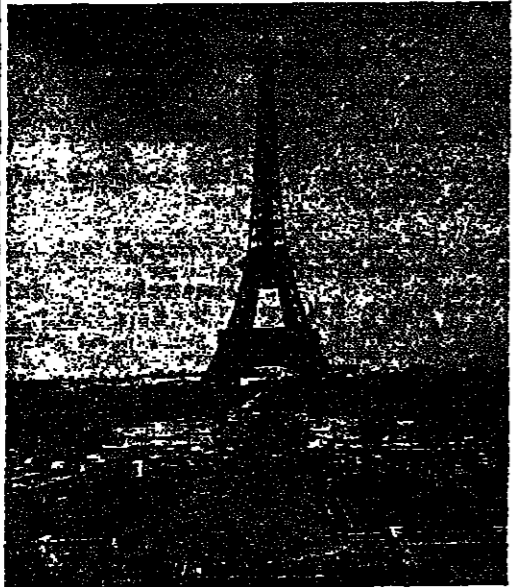
Operating results: During the year turnover improved by 25.4 per cent to R3 023.5 million as a result of a 29.8 per cent increase in the gold price received to R26 194 per kilogram.

Notice of Redemption U.S. \$30,000,000 The Sanwa Bank, Limited. Floating Rate Certificates of Deposit Due 29th January, 1988. Credit Suisse First Boston Limited Agent Bank.





# IN PARIS, NOBODY GIVES YOU THE MIDDLE EAST LIKE WE DO...



#### Our Leading Position:

We are the leading local bank of the United Arab Emirates and the world's leading market maker for the UAE Dirham.

#### Our Dealing Rooms:

Our Head Office in Abu Dhabi has the biggest dealing room in the Gulf. Four other dealing rooms in key financial centres of the world make it possible for us to offer our customers 24 hour service and coverage of Foreign Exchange and Money Market requirements.

#### Our Multilingual Staff:

Our large multi-national staff offers you first hand experience of the area together with courteous and efficient customer service.

#### Our International Network:

39 branches throughout the Middle East, equipped with advanced computerised telecommunication facilities. In addition branches in USA, UK and a representative office in Australia.

#### Our Banking Services:

Trade-Financing - Real Estate - Merchant Banking - Investment Portfolios - Letters of Guarantee - Eurosecurities - Multi-Currency Loans - and the entire range of traditional banking services.

OVERSEAS BRANCHES:  
Alexandria, Bahrain, Cairo,  
Kuwait, London, Madras,  
Port Said, Tel Aviv, Beirut.  
SUBSIDIARY:  
Washington  
REPRESENTATIVE OFFICE:  
Sydney

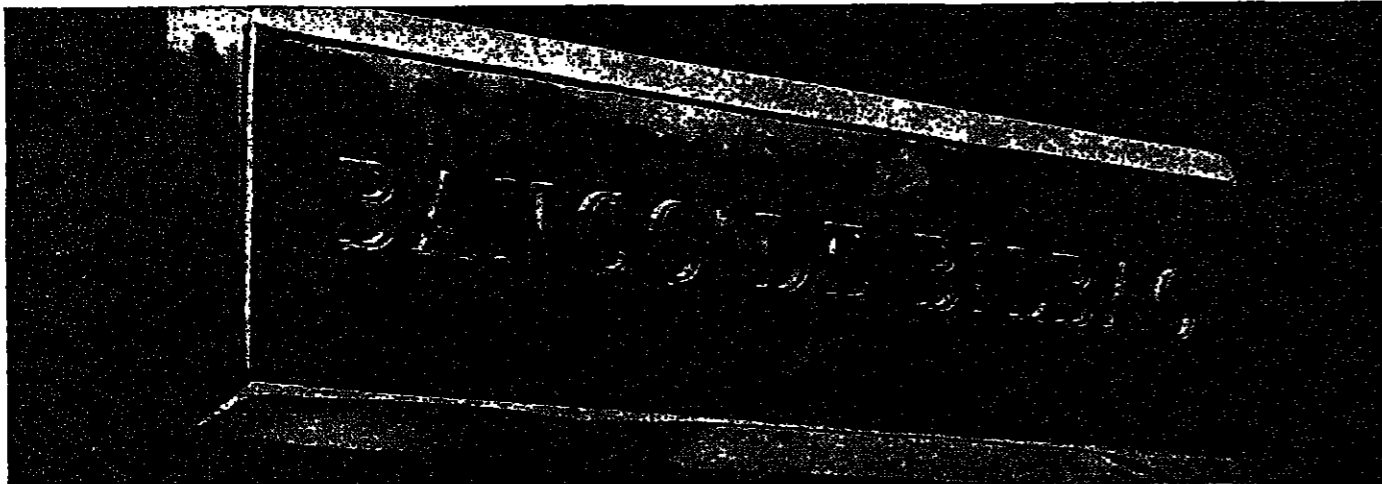


بنك أبوظبي الوطني  
NATIONAL BANK OF ABU DHABI  
Public joint-stock company

DOMESTIC NETWORK:  
Abu Dhabi (15) • Ajman  
Al Ain (5) • Doha • Dubai (2)  
Fujairah • Khorfakkan  
Madinat Zayed  
Ras Al Khaimah (2) • Sharjah

HEAD OFFICE: Sheikh Khalifa Street, P.O. Box 4, Abu Dhabi, UAE. Tel: 335262, Telex: 222687 MASRIP EML  
Paris Office: 25 Avenue des Champs-Élysées 75008 Paris (France) Tel: 42.25.47.22, Telex: 642713 NBADPAR.

## Reflections of excellence...



... in service to our customers, the community and our correspondent banks worldwide.

THE BANCO DE BILBAO GROUP is one of the leading banking and financial services groups in Spain: 9 banks with over 1,700 branches nationwide and subsidiary companies across the whole financial services spectrum.

45 offices overseas:  
Branches: France, United Kingdom, Italy, U.S.A., Grand Cayman.  
Subsidiary and Associate Banks: Jersey, West Germany, Switzerland, Panama, Andorra.  
Representative Offices: Europe, Central and South America, Japan.

PARIS PRINCIPAL BRANCH  
29, Avenue de l'Opéra, 75021-PARIS Cedex 01  
Tel. 42 61 56 41, Telex: 230871 BBPAR

INTERNATIONAL HEADQUARTERS  
Paseo de la Castellana, 81 - 28046-MADRID - SPAIN  
Tel. 435 60 02 - Telex 44458 - SWIFT: BBAOESMM

**BB** BANCO DE BILBAO

## French Banking, Finance and Investment 2

### The capital markets

# Underpinned by public deficit

PARIS HAS always had ambitions to be a major international financial centre, but even its staunchest supporters have generally had to admit that reality did not live up to the ambitions. But the wave of reforms carried out over the past few years—creating new financial markets and modernising old ones—has introduced a new note of pride.

The successful introduction of financial futures and commercial paper, the reopening of the Eurofranc bond market, and a wave of measures aimed at refurbishing the government debt markets have given Paris the weapons necessary to attract international institutions.

"The French market is becoming legible to foreign banks," said Mr Francois Fourrier, who moved from France's administrative establishment, working at the Treasury and at the state

financial institution Caisse des Dépôts, to become executive director of Shearson Lehman Brothers, in Paris.

These structural measures, undertaken mostly at the initiative of the authorities rather than of the private sector, have been helped along by favourable economic fundamentals, which have given a tremendous boost to both fixed interest and equity markets. Buoyant markets have led to rapidly increasing volumes, which has in turn provided the profits to finance the process of change.

In gross terms, the total volume of securities issues on the French markets multiplied seven times over the past 10 years to reach FF 380bn in 1985. By the end of August this year, issues had already reached FF 352bn. Issues of bonds reached FF 227bn in the first nine months of 1986, up 23 per cent from the same period of 1985.

### Electronic banking

## A smart route to security

THE FRENCH banking system has long played a leading role in the development of electronic banking services and the introduction of the so-called "smart card".

The smart card is a plastic card containing a microprocessor. It permits a series of revolutionary applications, including cashless payments, home banking, the pinpointing of records for hospitals, universities and other administrative, and motorway toll payments.

A number of major banks in France now offer, as a regular service to customers, home banking opportunities that use the French telecommunications authority's minitel videotex terminals. These are installed free of charge to telephone subscribers.

Miniteles are connected to the telephone network, and subscribers are charged for use of the videotex terminal on the same basis as if they had made a telephone call. The terminal enables subscribers to home into their "personal" accounts and analyse their balances. The service appears to be especially useful to small and medium-sized companies in managing their accounts.

The French banking system has also launched the first mass application of smart cards based on a technology invented by Franchman, Roland Moreno, in the early 1970s. The French nationalised Bull computer group is leading the programme with its CPS chip card.

The overall programme involves the introduction, by November 1988, of about 17m smart cards throughout the country, of which Bull will supply about 12.5m and Phillips another 4.5m. The original timetable was the supply of 200,000 cards last year, 3m this year, 4m next year, and 5m in 1988.

Although the timetable for the introduction of smart cards on a nationwide basis has slipped, the banks are committed to the new system because it offers far greater payment security and is expected to boost the efforts of the banks to combat fraud. The new bank cards are also intended for use in pay-telephones adapted to accept smart cards.

At the same time, the French telecommunications authority is launching its own scheme to instal pay telephones accepting chip cards. About 1,500 pay telephones were installed in 1984 and by the end of this year the total is expected to increase to about 30,000. The authority's target is to instal 100,000 pay-telephones for smart cards by the end of the decade.

The smart card will also be linked with the minitel videotex terminal system, to extend home banking and cashless shopping applications. The French telecommunications authority is now preparing to market a card reader, which can be connected to a minitel terminal to enable direct payment for videotex services as well as home banking and telepayment applications. The authority has already placed an initial order for 50,000 card readers with a consortium led by the Bull computer group.

Tests of other applications of the new chip card have been conducted in France, including use of the smart card for motorway tolls. The city of Blois has also chosen the Bull smart card for use as an electronic bus ticket with a memory. French universities and medical authorities are also showing increasing interest in the card for filing and record applications.

Apart from helping to increase the competitiveness of the French banking system at home, France's commitment to electronic banking and smart card technology is also seen as offering the country good export opportunities in new areas of banking technology.

Paul Betts

### When the Matif opened in February with a contract on a notional government long bond, volume exceeded all expectations. The second contract, on 90-day Treasury Bills, has been less successful.

range of maturities to a wide range of investors.

The process began with the authorisation of long-term bank certificates of deposit in April 1985, followed by commercial paper—referred to as *Billets de Trésorerie*, to avoid confusion with the trade bills already known in France, as *Papier Commercial*—in December last year. From the beginning of 1987, the maturities and conditions of CDs and commercial paper will be brought into line, opening up a full spectrum of tradable instruments from 10 days to seven years.

Parallel to these developments came the creation of a range of hedging instruments to complete Paris's armoury. The Matif, the French financial futures exchange, opened in February this year with a contract on a notional government long bond. Volume exceeded all expectations, and in October for the first time turnover outstripped that in the

London exchange's gilt contract, with 325,424 contracts changing hands.

The Matif's second contract, on 90-day Treasury Bills, has not been as successful, with volume in the range of 400 to 800 contracts a day rather than the 10,000 to 20,000 a day generally traded in the long bond contract. Some dealers expect this to take off next year as the reforms of the money market start to take full effect.

In addition, an over-the-counter market in interest rate options, based on the Matif long bond contract, developed among a few market makers in April. The Matif itself intends to introduce an option on its long bond contract in 1987. This is expected to open the way for the over-the-counter market makers to develop more custom-made options.

With the selection of specialists in currency, interest, or primary dealers—a process which is now under way—Paris is likely to have taken the decisive step towards the creation of a continuous and liquid market in the full range of financial instruments.

One major remaining handicap to Paris as a financial centre is the persistence of foreign exchange controls. Mr Edouard Balladur, the Minister of the Economy, Finance and Privatisation, has already announced four separate batches of measures designed to relax exchange controls; and he claims that 90 per cent of the restraints have now been abolished.

Bankers remain sceptical, however, so long as they remain unable to make French franc loans to foreign residents except in very tightly limited circumstances. Foreign exchange contracts also remain an area where the Matif looks longingly at the opportunities that might arise if exchange controls were fully lifted.

The French Government still wants progress in transforming Paris's financial markets to be slow, in order to learn all the lessons that can be deduced from London's upheaval and to ensure that, whatever changes are made, the result is not to reduce the degree of safety enjoyed by French investors. But the pace of change has already been rapid, and the Paris markets will never look the same again.

George Graham



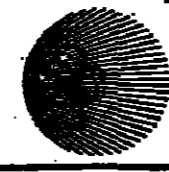
**LYON**  
Rendez-vous avec la France!

In the past three years an impressive number of renowned international companies have fallen for Lyon's charms.

She's attracted winners: Hewlett Packard decided to come to the Isle d'Abeau business park; advanced research centers like Schering Plough inc.; production plants like Unilever which have chosen La Plaine de l'Ain industrial estate.

What's Lyon's appeal? Apart the fact that Lyon herself is a vibrant, ancient center of culture in a beautiful countryside, she is so convenient: road and air links in all directions and the world's fastest business train first started from Lyon.

The past - The future. Lyon, she's got it all.

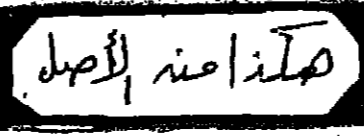


For further information, please send your calling card to ADERLY: Association pour le Développement Economique de la Région Lyonnaise, 20, rue de la Bourse - 69289 LYON CEDEX 2/FRANCE. Tél.: 00-33 (7) 83810110, Telex: 310828 Cocomex Lyon.









FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst, Allied Banker Unit Trst, and others with their respective details.

Table listing unit trusts under categories like Strategic Fund Managers, F&I Investment Managers, and others.

Table listing unit trusts under categories like Key Fund Managers, L&S Unit Trust Managers, and others.

Table listing unit trusts under categories like National Provident Unit Trst, Scottish Life Investments, and others.

Table listing unit trusts under categories like Vanguard Unit Trst, Westlaw Unit Trst, and others.

Malayan Banking Berhad advertisement featuring a logo and text about US \$60,000,000 negotiable floating rate dollar certificates.

FT CROSSWORD PUZZLE No. 6,207

Crossword puzzle grid with the word 'VIXEN' in the top row.

- ACROSS clues: 1 The flight made pets ill (8), 5 Lines in the solicitor's test (6), 9 A message about a motorway—quite courteous (8), etc.

- DOWN clues: 1 Apples for a Cockeye (6), 2 At some distance switches failed (6), 3 A factory that is growing (5), etc.

Table listing unit trusts under categories like Clerical Medical Unit Trst, Confédération Funds, and others.

Table listing unit trusts under categories like Crown Unit Trst, Darrington Unit Trst, and others.

Table listing unit trusts under categories like Darrington Unit Trst, Darrington Unit Trst, and others.

Table listing unit trusts under categories like Darrington Unit Trst, Darrington Unit Trst, and others.

Table listing unit trusts under categories like Legal & General, Lloyds, and others.

Table listing unit trusts under categories like Lloyds, Lloyds, and others.

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Vertical text on the left margin: 'December 19 1986', 'George G...', 'David M...', 'ring the', 'ners' risk', 'David M...'.

AUTHORISED UNIT TRUST & INSURANCES

Main table containing financial data for various insurance and unit trust companies, including names, addresses, and financial metrics.

Handwritten signature or mark at the bottom of the page.





CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

US figures fail to impress

THE DOLLAR finished slightly down on the day in very quiet trading. It was difficult to establish any sense of trend because orders in the market tended to distort rates out of all proportion because of the generally low volume. A rise of 0.3 per cent in November US personal income and a 1.1 per cent rise in consumer spending failed to lift the market...

CHICAGO

Starting was very steady during the day. There was no personal income exchange rate index which was 66.3 at each one of the day's calculations. Uncertainty about the Opec meeting and conflicting reports about a possible rise in oil prices tended to cloud the issue but one again there was little incentive to open fresh positions ahead of the year end...

STERLING INDEX

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include US, UK, and other indices.

CURRENCY RATES

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various currencies like DM, Yen, etc.

CURRENCY FUTURES

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various currency futures contracts.

OTHER CURRENCIES

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various other currencies like Hong Kong, etc.

HEAVY FUEL

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various fuel types and prices.

MEAT

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various meat products and prices.

SUGAR

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various sugar grades and prices.

FREIGHT FUTURE

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various freight rates and prices.

FINANCIAL FUTURES

Active trading in gilts

LONG TERM gilt futures remained active on the London International Futures Exchange yesterday, although a dealer at one of the largest operators in the market suggested that the volume of trading since Big Bang in the City, at the end of October, partly represents aggressive tactics adopted by the new market makers to establish themselves as major forces in cash and futures trading...

LONDON 5% GILT

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various gilt futures contracts.

LONDON 10% NATIONAL BOND

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various national bond futures contracts.

10% NATIONAL BOND

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various 10% national bond futures contracts.

10% NATIONAL BOND

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various 10% national bond futures contracts.

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10% NATIONAL BOND

Table with 3 columns: Dec 18, Dec 19, and Dec 20. Rows include various 10% national bond futures contracts.

EUROPEAN OPTIONS EXCHANGE

Large table with multiple columns showing European options exchange data, including series, volume, and prices.

BASE LENDING RATES

Table with multiple columns showing base lending rates for various banks and currencies.

\$ WORLD VALUE OF THE DOLLAR BANK OF AMERICA GLOBAL TRADING ECONOMICS DEPT., LONDON

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, December 17, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted by banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Large table showing world value of the dollar with columns for country, currency, and value of dollar.

Footnote containing various abbreviations and definitions for the table above.

LONDON SHARE SERVICE

ENGINEERING—Continued INDUSTRIALS—Continued

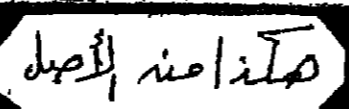
Table containing 'BRITISH FUNDS', 'AMERICANS—Cont.', 'CANADIANS', 'BANKS, HP & LEASING', 'CORPORATION LOANS', 'COMMONWEALTH & AFRICAN LOANS', 'LOANS', 'BEERS, WINES & SPIRITS', 'AMERICANS', 'BUILDING, TIMBER, ROADS', 'DRAPERY & STORES', 'ELECTRICALS', 'FOOD GROCERIES, ETC', 'HOTELS AND CATERERS', and 'INDUSTRIALS (Misc.)'. Each section lists various financial instruments with columns for stock price, price change, and yield.

Table containing 'BUILDING, TIMBER, ROADS—Cont.', 'DRAPERY & STORES—Cont.', 'ELECTRICALS', 'CHEMICALS, PLASTICS', 'DRAPERY AND STORES', and 'ENGINEERING'. Each section lists various financial instruments with columns for stock price, price change, and yield.

Table containing 'ENGINEERING—Continued' and 'INDUSTRIALS—Continued'. Each section lists various financial instruments with columns for stock price, price change, and yield.

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INDUSTRIALS-Continued

Table of industrial stocks including companies like Shell, BP, and various engineering firms with columns for stock price, high, low, and volume.

LEISURE-Continued

Table of leisure-related stocks such as hotels, resorts, and entertainment companies.

MOTORS, AIRCRAFT TRADES

Table listing motor vehicles and aircraft trade companies with their respective market data.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing companies.

SHOES AND LEATHER

Table of shoe and leather goods companies.

SOUTH AFRICANS

Table of South African stocks.

TEXTILES

Table of textile companies.

TOBACCO

Table of tobacco companies.

INSURANCES

Table of insurance companies.

PROPERTY

Table of real estate and property companies.

LEISURE

Table of leisure companies (repeated).

TRUSTS, FINANCE, LAND

Table of trusts, financial institutions, and land-related companies.

INVESTMENT TRUSTS-Cont.

Table of investment trusts.

FINANCE, LAND-Cont.

Table of finance and land-related companies (repeated).

OIL AND GAS

Table of oil and gas companies.

MINES-Continued

Table of mining companies.

NOTES: Information regarding stock exchange regulations, company announcements, and other market-related news.

Government bonds steady in late trading but shares give ground in quiet session

Account Dealing Dates

\*First Declared Last Account Dealings Dates Dealings Day

Dec 8 Dec 19 Dec 19 Jan 5 Jan 2 Jan 8 Jan 19 Jan 22 Jan 23 Feb 3

The UK securities markets moved uncertainly in this trading yesterday... The FT-SE 100 index fell 57 to 1628 1/2... The FT-SE 100 index fell 57 to 1628 1/2, the FT Ordinary index at 1270 1/8, lost 5 1/8.

tor gave ground in sympathy with Sedgwick 6 lower at 317p and Stewart Wragston 9 cheaper at 430p... Preliminary profits around E5m below analysts' estimates induced selling of Guinness Peat...

Leading UK market research group, IRI, Research, managed a small premium over the 144p placing price in first-time dealings... The Chancellor's declaration that there will be very little scope for reductions in taxation...

FINANCIAL TIMES STOCK INDICES table with columns for Dec 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 1986, and a section for S.E. ACTIVITY.

Opening 1273.5 10 a.m. 1274.4 11 a.m. 1275.7 Noon 1275.6 1 p.m. 1275.1 2 p.m. 1274.8 2.30 p.m. 1274.3 4 p.m. 1276.6

Financial Times stock indices table showing various indices and their movements over the period Dec 17-31, 1986.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

The day's lowest levels. The FT Gold Mines index fell 4 1/2 to 311.3... BP rally from lowest

BP rally from lowest: Oils initially showed frustration with Opec's continued bickering and British Petroleum fell to 682p before rallying late to end only 3 cent lower on balance at 689p...

Traded Options: Total contracts transacted in traded options amounted to 32,229... First Dealings: Dec 15 Jan 5 Jan 19

First Dealings: Dec 15 Jan 5 Jan 19 Jan 22 Jan 23 Jan 29 Jan 30 Jan 31 Jan 31 Jan 31

Stores retreat: Cements were inclined harder following news that strict limits are to be placed on imports... C. E. Heath c. E. Heath, which last month staved off an unwelcome bid from Mr Ronnie Benz...

Chancellor's declaration that there will be very little scope for reductions in taxation in next year's Budget... The Chancellor's declaration that there will be very little scope for reductions in taxation...

Chancellor's declaration that there will be very little scope for reductions in taxation in next year's Budget... The Chancellor's declaration that there will be very little scope for reductions in taxation...

Glaxo improve afresh: Interest in the miscellaneous industrial leaders again centred on the pharmaceutical issues... Glaxo were a particularly lively market and made further good progress...

Merchants House remained under pressure on vague rumours of problems within its market-making division... Merchants House remained under pressure on vague rumours of problems within its market-making division...

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks with columns for Stock, Volume, Closing Price, Day's Change, and a section for RISES AND FALLS YESTERDAY.

FT-ACTUARIES INDICES

Table of FT-Actuaries Indices showing various categories like Building Goods, Electronics, and Financials with columns for Index, Day's Change, and Year Ago.

LONDON TRADED OPTIONS

Table of London Traded Options showing Calls and Puts for various stocks with columns for Option, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

RIGHTS OFFERS

Table of Rights Offers showing various companies and their rights offerings with columns for Company, Rights Offered, and Price.

FIXED INTEREST STOCKS

Table of Fixed Interest Stocks showing various bonds and their yields with columns for Stock, Yield, and Price.

Additional text at the bottom of the page containing various financial data, footnotes, and a small logo.

WORLD STOCK MARKETS

Vertical text on the left margin, including 'Friday December 19' and 'the day's lowest...'

AUSTRIA stock market data table with columns for stock names and prices.

GERMANY stock market data table with columns for stock names and prices.

NORWAY stock market data table with columns for stock names and prices.

AUSTRALIA (continued) stock market data table.

JAPAN (continued) stock market data table.

CANADA stock market data table.

BELGIUM/LUXEMBOURG stock market data table.

SPAIN stock market data table.

SWEDEN stock market data table.

HONG KONG stock market data table.

TORONTO Closing prices December 18

DENMARK stock market data table.

ITALY stock market data table.

FINLAND stock market data table.

NETHERLANDS stock market data table.

NEW YORK DOW JONES

INDICES

MONTREAL Closing prices December 18

FRANCE stock market data table.

SWITZERLAND stock market data table.

JAPAN Dec 18

SINGAPORE Dec 18

SOUTH AFRICA Dec 18

NETHERLANDS (continued) stock market data table.

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OVER-THE-COUNTER

Over-the-counter market data table with columns for stock names and prices.

Nasdaq national market, closing prices

Nasdaq national market closing prices table.

NYSE Consolidated 1500 Actives

NYSE Consolidated 1500 Actives table.

Chief price changes

Chief price changes table.

NYSE Consolidated 1500 Actives

NYSE Consolidated 1500 Actives table.

NYSE Consolidated 1500 Actives

NYSE Consolidated 1500 Actives table.

NYSE Consolidated 1500 Actives

NYSE Consolidated 1500 Actives table.

Get your News early in Stuttgart advertisement.

LONDON Chief price changes advertisement.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER advertisement.

FRETZ Limousine Service advertisement.

ATHENS FINANCIAL TIMES advertisement.

Get your News early in Stuttgart advertisement (continued).

FRETZ Limousine Service advertisement (continued).

ATHENS FINANCIAL TIMES advertisement (continued).

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock symbols, prices, and changes. Includes sub-sections for '12 Month' and '12 Month' data.

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NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-section 'Continued from Page 44'.

Table of AMEX Composite Closing Prices. Columns include Stock, Price, Change, and Volume.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) Closing Prices. Columns include Stock, Price, Change, and Volume.

AMSTERDAM/DELFT/EINDHOVEN GRONINGEN/DE HAGUE/HAARLEM/HEEMSTED/LEIDEN/LEIDERDORP/OEGSTGEEST/RUSWIJK/ROTTERDAM/JUTRECHT/WASSENAR THE NETHERLANDS. Your subscription copy of the FINANCIAL TIMES can be hand-delivered to your office in the centre of any of the cities listed above. For details contact: Richard Willis. Tel: 020 239430. Telex: 16527.

